



**MISSOURI  
DEPARTMENT OF SOCIAL SERVICES**

P. O. BOX 1527  
BROADWAY STATE OFFICE BUILDING  
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**Matt Blunt**  
Governor

**Deborah E. Scott**  
Director

**Relay Missouri**  
*for hearing and speech impaired*  
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June 30, 2008

The Honorable Matt Blunt  
Governor of the State of Missouri  
State Capitol Building, Room 216  
Jefferson City, Missouri 65101

Governor, we share a mutual interest in improving the state's health care system. As you know, Missouri continues to experience a shortage of health care professionals. The MO HealthNet program shares the consequences of this shortage.

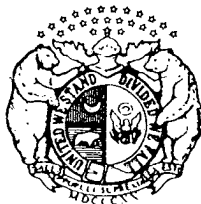
Senate Bill 577 (2007) required the MO HealthNet Division to bring forward a four-year plan to bring Medicare parity to MO HealthNet. The enclosed plan concludes an additional \$106.8 million in General Revenue (\$284.9 million in total) over the next four years would be needed to gain parity with Medicare rates across all provider groups.

I will be happy to discuss this report with you as needed.

Sincerely,

Deborah E. Scott  
Director

Enclosure



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June 30, 2008

The Honorable Rod Jetton  
Speaker of the House  
Missouri House of Representatives  
201 West Capitol Avenue  
Jefferson City, Missouri 65102

Speaker Jetton, we share a mutual interest in improving the state's health care system. As you know, Missouri continues to experience a shortage of health care professionals. The MO HealthNet program shares the consequences of this shortage.

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June 30, 2008

The Honorable Michael R. Gibbons  
President Pro Tem  
Missouri Senate  
State Capitol, Room 236  
Jefferson City, Missouri 65101

Senator Gibbons, we share a mutual interest in improving the state's health care system. As you know, Missouri continues to experience a shortage of health care professionals. The MO HealthNet program shares the consequences of this shortage.

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Director

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**MoHealth**  **Net**

**Four-Year Plan to Reach  
Reimbursement Parity**

July 1, 2008

## Introduction

Section 208.152.1(23) RSMo requires the MO HealthNet Division to provide the General Assembly a four-year plan by July 1, 2008, to achieve parity with Medicare reimbursement rates and third-party payer average dental reimbursement rates. The funding of the plan is subject to appropriation and the division is required to include the funding needed to complete the four-year plan in its annual budget request.

This plan fulfills the statutory requirement.

## Discussion

In this plan, we are providing the methodologies to bring parity to Medicare rates for seven MO HealthNet program areas (Ambulance, Audiology, Dental, Durable Medical Equipment, Optical, Physician and Rehabilitation Center Therapy). The table (*right*) shows where these programs will be in relation to Medicare rates when the increases approved in the 2009 Truly Agreed and Finally Passed (TAFP) budget are in place.

Some MO HealthNet programs were not included in this report. Please see the table (*below*) for a detailed explanation.

MO HealthNet Average Reimbursement in SFY-2009* as a Percentage of Medicare	
	Percentage of Medicare
Ambulance	45%
Audiology	65%
Dental	42%
Durable Medical Equipment	95%
Optical	55%
Physician	65%
Rehabilitation Center Therapy	25%

\*Includes funding received in the SFY-2009 (TAFP) budget

MO Health Net Program Areas Excluded from this Medicare Parity Plan	
MO HealthNet	Rationale
Comprehensive Day Rehab	This program is unique to Missouri and valid Medicare comparisons are not available.
Federally Qualified Health Center (FQHC)	Both Medicare and MO HealthNet reimburse FQHCs 100% of cost based on settlements through audited cost reports, per federal law.
Home Health	MO HealthNet reimburses on a per visit basis, while Medicare reimburses per episode of diagnosis. Valid comparisons between the two reimbursement methodologies are not possible.
Hospice	Rates are established annually by Medicare and authorized by Section 1814 (l)(1)(C)(ii) of the Social Security Act. Since MO HealthNet's reimbursement mirrors Medicare reimbursement, no adjustments are required.

MO Health Net Program Areas Excluded from this Medicare Parity Plan	
MO HealthNet	Rationale
Hospitals	MO Health reimburses hospitals using a rate per day. Medicare reimburses hospitals through Diagnostic Related Groups (DRGs). Through the DRG system, Medicare has established set amounts to pay hospitals for each diagnosis. The reimbursement methodologies used by MO HealthNet and Medicare are so different, no comparability is possible.
Non-Emergency Medical Transportation (NEMT)	Medicare does not cover NEMT. MO HealthNet NEMT capitated rates are paid for each participant based on a contractual arrangement. Reimbursement rates must be actuarially sound.
Nursing Facilities	Most nursing facility beds in Missouri are paid through the MO HealthNet program using a rate per day based on individual cost reports. Comparability to Medicare is not possible because Medicare only pays for nursing facility care in very limited circumstances and then for only a very limited time in limited amounts.
Pharmacy	MO HealthNet reimburses at lower of Wholesale Acquisition Cost (WAC) plus 10%; the Federal Upper Limit (FUL), the Missouri Maximum Acquisition Cost (MAC) or billed charge. Medicare Part D is based on capitated rates and comparability to MO HealthNet is not possible.
Rural Health Center (RHC)	Both Medicare and MO HealthNet reimburse RHCs 100% of cost based on settlements through audited cost reports, per federal law.
State Institutions	The reimbursement methodology for state institutions is similar to that of the MO HealthNet Hospital program.
School-Based Therapy	Services are provided for children in a school-based setting. Medicare does not reimburse for these types of services.

### *Comparison to MO HealthNet When Medicare or Dental Rates Were Available*

- For Dental rates, we used the *2007 National Dental Advisory Service Fee Report* (Wasserman, 2007). Target rates were at the 50<sup>th</sup> percentile, meaning half of dentists charge more and half charge less than the target rate.
- All other Medicare data was derived from the *Provider Reimbursement Rate Study* (submitted to the General Assembly in December 2007), which contains state fiscal year 2007 paid claims from the Medicaid Management Information System (MMIS).
- If the Medicare rates were unavailable from the MMIS, we relied on rates from Pinnacle Business Solutions, Inc., the Centers for Medicare and Medicaid Services' (CMS) contracted intermediary for the state of Missouri.
- All MO HealthNet rates were based on the current rate structure, which includes rate adjustments authorized in the state fiscal year 2009 (TAFP) budget.

### Rate Proxies for Procedure Codes With No Medicare Comparison

- In some cases, Medicare does not cover a MO HealthNet procedure so comparisons were not possible. In these instances, we used two proxies for the Medicare benchmark: 1) an average of rates from other states with similar Medicaid reimbursement methodology; and, 2) the Consumer Price Index (CPI).

- To establish an appropriate Medicare benchmark, we chose three neighboring states (Arkansas, Iowa and Oklahoma) with Medicaid reimbursement methodologies similar to Missouri. These states were also selected because their Medicaid reimbursement approximated Medicare rates (Arkansas at 82%, Iowa at 94% and Oklahoma at 100% in 2007). Finally, a sampling of codes revealed Medicare rates in these states were within 20% of Missouri's Medicare rates. The states' rates required two adjustments before comparing to MO HealthNet's rates:

#### Arriving at Average Rate for Arkansas

Arkansas' Medicaid rates were generally 82% of that state's Medicare rates; however, Arkansas' Medicare rates were 94% of Missouri's Medicare rates. If Arkansas has a Medicaid rate of \$100 for a procedure code, the rate was increased to 100% of Arkansas' Medicare rate, or \$121.95 ( $\$100/82\% = \$121.95$ ). Then, the rate was increased to Missouri's Medicare rate for comparability ( $\$121.95/94\% = \$129.74$ ).

- Adjustment of the state's Medicaid rate to the state's Medicare rate, then,
- Adjustment to Missouri's Medicare rates. (See example, upper right.)

- CPI is a measure of the average change in prices of goods and services purchased over time by households. Where a Medicare or a state proxy was not available, we applied the annual medical care CPI, which was 3.9 for all urban consumers in the Midwest in March 2007 (Bureau of Labor Statistics, 2008), to the MO HealthNet current rate. Only 0.5% of the cost to reach parity was calculated using the CPI methodology.

#### Example of Application of 3.9 Medical CPI as Proxy for Medicare Rate

At risk assessment for prenatal Rate (H1000)

FY09	\$8.00
FY10	\$8.31
FY11	\$8.63
FY12	\$8.97
FY13	\$9.32

### Reduction of Procedure Codes Paid in Excess of Medicare

- The statute requires parity with Medicare rates. Since Medicare is the statutory standard, we assumed the intent was to safeguard taxpayers by reducing any rates exceeding Medicare. Cost savings were calculated for procedure codes with rates in excess of Medicare. These savings were distributed over the life of this plan.

## Calculations

- To assess the current MO HealthNet rate status in relation to the Medicare standard, we compared the 2009 MO HealthNet rate to the Medicare rate, state proxy rate or CPI target rate. Then, we multiplied the difference by the number of units paid in state fiscal year 2007 for each procedure code. This provided the cost to bring parity to the MO HealthNet fee for service program rates. This final calculation included all fee for service and managed care costs.
- We allocated the cost to each program area and age category and distributed the costs evenly over fiscal years 2010, 2011, 2012 and 2013. *(See Appendix for details on each program area.)*
- The following table captures the projected cost over the life of this plan.

Projected Cost of Parity by Methodology Over Life of Plan						
	Medicare Comparison Method	State Proxy Method	CPI Method	Dental Method	Vaccine for Children Method*	Total Cost
<b>Cost</b>	\$213.3 mil	\$10.3 mil	\$1.5 mil	\$59.0 mil	\$9.8 mil	\$293.9 mil
<b>Savings</b>	<u>(\$7.5) mil</u>	<u>(\$1.5) mil</u>	<u>\$0.0 mil</u>	<u>\$0.0 mil</u>	<u>\$0.0 mil</u>	<u>(\$9.0) mil</u>
<b>Net Cost</b>	\$205.8 mil	\$8.8 mil	\$1.5 mil	\$59.0 mil	\$9.8 mil	\$284.9 mil
<b>State Share</b>	\$78.3 mil	\$3.2 mil	\$0.5 mil	\$21.3 mil	\$3.5 mil	\$106.8 mil
<b>Percent of Total Cost</b>	72.2%	3.1%	0.5%	20.7%	3.5%	

\*The Missouri Vaccines for Children (VFC) Program reimburses MO HealthNet for the administration fee of the immunization. Missouri is allowed to pay up to \$15.07 per antigen in each administration. Currently, Missouri pays \$5.00 per antigen in each administration. The cost for the vaccine itself is paid by the Centers for Disease Control (CDC). The difference between the current reimbursement and the highest possible was distributed over four years to fulfill the intent of the rate plan. These costs are shown as part of the Physician program.

## Conclusion

Based on our work, we project bringing Medicare parity to MO HealthNet reimbursement will cost \$106.8 million in General Revenue (GR), or \$284.9 million in total, over the life of this plan. The following table summarizes these costs by fund source and MO HealthNet program area.



### Raising MO HealthNet Rates to Medicare Levels Over Life of a Four-Year Plan

	% of Medicare Achieved	General Revenue	Federal Funds	Total Funds
<b>Entire Plan Cost</b>		\$106.8 mil	\$178.1 mil	\$284.9 mil
<b>Annual Cost</b>		\$26.7 mil/year	\$44.6 mil/year	\$71.3 mil/year
2010 Ambulance	57%	\$3.1/year	\$5.0/year	\$8.1/year
2011 Ambulance	72%			
2012 Ambulance	86%			
2013 Ambulance	100%			
<b>Subtotal Cost</b>		\$12.1 mil	\$19.8 mil	\$31.9 mil
2010 Audiology	74%	Less than \$0.1 mil/year	\$0.1 mil/year	\$0.1 mil/year
2011 Audiology	83%			
2012 Audiology	91%			
2013 Audiology	100%			
<b>Subtotal Cost</b>		\$0.2 mil	\$0.3 mil	\$0.5 mil
2010 Dental	57%	\$5.5 mil/year	\$9.7 mil/year	\$15.2 mil/year
2011 Dental	71%			
2012 Dental	86%			
2013 Dental	100%			
<b>Subtotal Cost</b>		\$21.9 mil	\$38.6 mil	\$60.5 mil
2010 Durable Medical Equipment	96%	\$0.4 mil/year	\$0.6 mil/year	\$1.0 mil/year
2011 Durable Medical Equipment	97%			
2012 Durable Medical Equipment	99%			
2013 Durable Medical Equipment	100%			
<b>Subtotal Cost</b>		\$1.4 mil	\$2.4 mil	\$3.8 mil
2010 Optical	66%	\$1.0 mil/year	\$1.5 mil/year	\$2.5 mil/year
2011 Optical	77%			
2012 Optical	89%			
2013 Optical	100%			
<b>Subtotal Cost</b>		\$3.8 mil	\$6.1 mil	\$9.9 mil

Raising MO HealthNet Rates to Medicare Levels Over Life of a Four-Year Plan				
	% of Medicare Achieved	General Revenue	Federal Funds	Total Funds
2010 Physician	75%	\$16.7 mil/year	\$27.5 mil/year	\$44.2 mil/year
2011 Physician	84%			
2012 Physician	92%			
2013 Physician	100%			
<b>Subtotal Cost</b>		\$66.8 mil	\$109.9 mil	\$176.7 mil
2010 Rehab Treatment Center	44%	\$0.1 mil/year	\$0.3 mil/year	\$0.4 mil/year
2011 Rehab Treatment Center	63%			
2012 Rehab Treatment Center	82%			
2013 Rehab Treatment Center	100%			
<b>Subtotal Cost</b>		\$0.6 mil	\$1.0 mil	\$1.6 mil

**Disclaimers:** For these reasons, caution should be used when using this information for budget projections.

- Cost estimates were based on rates, participant counts and utilization patterns in fiscal year 2007. No attempt has been made to project changes in participant counts or utilization patterns in future years.
- Medicare rates are not static and may increase or decrease; therefore, the comparisons in this plan may only be viewed as a point-in-time comparison. If Medicare rates are decreased, Missouri's Medicaid rates could exceed the Medicare rate.

## References

*Provider Reimbursement Rate Study* (December 31, 2007). Missouri Department of Social Services, MO HealthNet Division.

*Physicians' Current Procedural Terminology* (1999). 2007 ed. American Medical Association. Hosted by Pinnacle Business Solutions and retrieved December 2007 from <http://www.medicare.com/provider>

*Current Dental Terminology* (2002) 4<sup>th</sup> ed. American Dental Association. Hosted by Pinnacle Business Solutions and retrieved December 2007 from <http://www.medicare.com/provider>

Wasserman, Y. (2007). *2007 National Dental Advisory Service Fee Report*. Medical Publishers, Ltd.

*CPI Detailed Report* (2008) Bureau of Labor Statistics. Hosted by U.S. Department of Labor, Bureau of Labor Statistics and retrieved May 2008 from <http://www.bls.gov/cpi>

## Appendix

Four-Year Plan to Reach Reimbursement Parity  
Ambulance Summary

Comparison Group	SFY 2010			SFY 2011			SFY 2012			SFY 2013			Total Increase		
	% of Medi-care	General Revenue	Federal	Total	% of Medi-care	General Revenue	Federal	Total	% of Medi-care	General Revenue	Federal	Total	General Revenue	Federal	Total
<b>Using Medicare Rates</b>															
Cost to Reach Parity - Medicare	60%	\$3,044,375	\$4,942,382	\$7,986,757	75%	\$3,044,375	\$4,942,382	\$7,986,757	90%	\$3,044,375	\$4,942,382	\$7,986,757	\$12,177,500	\$19,769,528	\$31,947,028
Savings to Reach Parity - Medicare		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Net Total to Reach Parity - Medicare	60%	\$3,044,375	\$4,942,382	\$7,986,757	75%	\$3,044,375	\$4,942,382	\$7,986,757	90%	\$3,044,375	\$4,942,382	\$7,986,757	\$12,177,500	\$19,769,528	\$31,947,028
<b>Using State Proxy</b>															
Cost to Reach Parity - Proxy	61%	\$1,272	\$1,857	\$3,129	74%	\$1,272	\$1,857	\$3,129	87%	\$1,272	\$1,857	\$3,129	\$5,088	\$7,428	\$12,516
Savings to Reach Parity - Proxy		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Net Total to Reach Parity - Proxy	61%	\$1,272	\$1,857	\$3,129	74%	\$1,272	\$1,857	\$3,129	87%	\$1,272	\$1,857	\$3,129	\$5,088	\$7,428	\$12,516
<b>Using CPI</b>															
Cost to Reach Parity - CPI	89%	\$514	\$786	\$1,300	93%	\$527	\$806	\$1,333	96%	\$560	\$857	\$1,416	\$2,174	\$3,325	\$5,498
<b>Total</b>															
Total Cost to Reach Parity	60%	\$3,046,161	\$4,945,025	\$7,991,186	75%	\$3,046,174	\$4,945,045	\$7,991,219	90%	\$3,046,207	\$4,945,095	\$7,991,302	\$12,184,762	\$19,780,280	\$31,965,042
Total Savings to Reach Parity		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Net Total to Reach Parity	60%	\$3,046,161	\$4,945,025	\$7,991,186	75%	\$3,046,174	\$4,945,045	\$7,991,219	90%	\$3,046,207	\$4,945,095	\$7,991,302	\$12,184,762	\$19,780,280	\$31,965,042



**Four-Year Plan to Reach Reimbursement Parity**  
**Ambulance**  
**SFY 2010: First-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Ground Mileage	67%	2	262,810	\$160,791	\$291,205	\$451,996
	Ground Transport, Services & Supplies	63%	11	9,811	\$349,956	\$633,800	\$983,756
	Air Mileage	31%	2	54,477	\$332,841	\$602,803	\$935,644
	Air Transport, Services & Supplies	50%	3	972	\$576,054	\$1,043,282	\$1,619,336
	Ground Mileage	67%	1	608,479	\$206,700	\$301,678	\$508,378
Adults	Ground Transport, Services & Supplies	64%	9	40,041	\$791,303	\$1,154,904	\$1,946,207
	Air Mileage	31%	1	52,955	\$179,227	\$261,581	\$440,808
	Air Transport, Services & Supplies	50%	2	1,810	\$447,503	\$653,129	\$1,100,632
<b>Net Total</b>					\$3,044,375	\$4,942,382	\$7,986,757
<b>Codes with Proxy Comparison</b>							
Children	Air Transport, Services & Supplies	61%	1	156	\$379	\$554	\$933
	Air Transport, Services & Supplies	61%	1	1,358	\$893	\$1,303	\$2,196
<b>Total</b>		61%			\$1,272	\$1,857	\$3,129
<b>Codes with CPI Comparison</b>							
Children	Ground Transport, Services & Supplies	89%	2	21	\$18	\$33	\$51
	Air Transport, Services & Supplies	89%	2	381	112	192	304
Adults	Ground Transport, Services & Supplies	89%	2	13	\$5	\$7	\$12
	Air Transport, Services & Supplies	89%	2	1,821	\$379	\$554	\$933
<b>Total</b>		89%			\$514	\$786	\$1,300
<b>Total Cost</b>		60%			\$3,046,161	\$4,945,025	\$7,991,186
<b>Total Cost Savings</b>					\$0	\$0	\$0
<b>Net Total for SFY 2010</b>		60%			\$3,046,161	\$4,945,025	\$7,991,186



# **Four-Year Plan to Reach Reimbursement Parity** **Ambulance** **SFY 2011: Second-Year Plan**

MO HealthNet as % of Comparison Group		Number of Codes	Number of Units	GR	Federal	Total
<b>Codes with Medicare Comparison</b>						
Children	Ground Mileage	2	262,810	\$160,791	\$291,205	\$451,996
	Ground Transport, Services & Supplies	11	9,811	\$349,956	\$633,800	\$983,756
	Air Mileage	2	54,477	\$332,841	\$602,803	\$935,644
	Air Transport, Services & Supplies	3	972	\$576,054	\$1,043,282	\$1,619,336
Adults	Ground Mileage	1	608,479	\$206,700	\$301,678	\$508,378
	Ground Transport, Services & Supplies	9	40,041	\$791,303	\$1,154,904	\$1,946,207
	Air Mileage	1	52,955	\$179,227	\$261,581	\$440,808
	Air Transport, Services & Supplies	2	1,810	\$447,503	\$653,129	\$1,100,632
<b>Total</b>				\$3,044,375	\$4,942,382	\$7,986,757
<b>Codes with Proxy Comparison</b>						
Children	Air Transport, Services & Supplies	1	156	\$379	\$554	\$933
Adults	Air Transport, Services & Supplies	1	1,358	\$893	\$1,303	\$2,196
<b>Total</b>				\$1,272	\$1,857	\$3,129
<b>Codes with CPI Comparison</b>						
Children	Ground Transport, Services & Supplies	2	21	\$18	\$33	\$51
	Air Transport, Services & Supplies	2	381	112	192	304
Adults	Ground Transport, Services & Supplies	2	13	\$5	\$8	\$13
	Air Transport, Services & Supplies	2	1,821	\$392	\$573	\$965
<b>Total</b>				\$527	\$806	\$1,333
<b>Total Cost</b>				\$3,046,174	\$4,945,045	\$7,991,219
<b>Total Cost Savings</b>				\$0	\$0	\$0
<b>Net Total for SFY 2011</b>				\$3,046,174	\$4,945,045	\$7,991,219



**Four-Year Plan to Reach Reimbursement Parity**  
**Ambulance**  
**SFY 2012: Third-Year Plan**

MO HealthNet as % of Comparison Group		Number of Codes	Number of Units	GR	Federal	Total
<b>Codes with Medicare Comparison</b>						
Children	Ground Mileage	2	262,810	\$160,791	\$291,205	\$451,996
	Ground Transport, Services & Supplies	11	9,811	\$349,956	\$633,800	\$983,756
	Air Mileage	2	54,477	\$332,841	\$602,803	\$935,644
	Air Transport, Services & Supplies	3	972	\$576,054	\$1,043,282	\$1,619,336
	Ground Mileage	1	608,479	\$206,700	\$301,678	\$508,378
Adults	Ground Transport, Services & Supplies	9	40,041	\$791,303	\$1,154,904	\$1,946,207
	Air Mileage	1	52,955	\$179,227	\$261,581	\$440,808
	Air Transport, Services & Supplies	2	1,810	\$447,503	\$653,129	\$1,100,632
<b>Total</b>		90%		\$3,044,375	\$4,942,382	\$7,986,757
<b>Codes with Proxy Comparison</b>						
Children	Air Transport, Services & Supplies	1	156	\$379	\$554	\$933
	Air Transport, Services & Supplies	1	1,358	\$893	\$1,303	\$2,196
<b>Total</b>		87%		\$1,272	\$1,857	\$3,129
<b>Codes with CPI Comparison</b>						
Children	Ground Transport, Services & Supplies	2	21	\$18	\$33	\$51
	Air Transport, Services & Supplies	2	381	131	224	355
	Ground Transport, Services & Supplies	2	13	\$5	\$8	\$13
Adults	Air Transport, Services & Supplies	2	1,821	\$406	\$592	\$997
<b>Total</b>		96%		\$560	\$857	\$1,416
<b>Total Cost</b>		90%		\$3,046,207	\$4,945,096	\$7,991,302
<b>Total Cost Savings</b>				\$0	\$0	\$0
<b>Net Total for SFY 2012</b>		90%		\$3,046,207	\$4,945,096	\$7,991,302





# **Four-Year Plan to Reach Reimbursement Parity** **Ambulance** **SFY 2013: Fourth-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Ground Mileage	100%	2	262,810	\$160,791	\$291,205	\$451,996
	Ground Transport, Services & Supplies	100%	11	9,811	\$349,956	\$633,800	\$983,756
	Air Mileage	100%	2	54,477	\$332,841	\$602,803	\$935,644
	Air Transport, Services & Supplies	100%	3	972	\$576,054	\$1,043,282	\$1,619,336
Adults	Ground Mileage	100%	1	608,479	\$206,700	\$301,678	\$508,378
	Ground Transport, Services & Supplies	100%	9	40,041	\$791,303	\$1,154,904	\$1,946,207
	Air Mileage	100%	1	52,955	\$179,227	\$261,581	\$440,808
	Air Transport, Services & Supplies	100%	2	1,810	\$447,503	\$653,129	\$1,100,632
<b>Total</b>		100%			\$3,044,375	\$4,942,382	\$7,986,757
Codes with Proxy Comparison							
Children	Air Transport, Services & Supplies	100%	1	156	\$379	\$554	\$933
Adults	Air Transport, Services & Supplies	100%	1	1,358	\$893	\$1,303	\$2,196
<b>Total</b>		100%			\$1,272	\$1,857	\$3,129
Codes with CPI Comparison							
Children	Ground Transport, Services & Supplies	100%	2	21	\$18	\$33	\$51
	Air Transport, Services & Supplies	100%	2	381	131	224	355
Adults	Ground Transport, Services & Supplies	100%	2	13	\$5	\$8	\$13
	Air Transport, Services & Supplies	100%	2	1,821	\$419	\$611	\$1,030
<b>Total</b>		100%			\$573	\$876	\$1,449
<b>Total Cost</b>		100%			\$3,046,220	\$4,945,115	\$7,991,335
<b>Total Cost Savings</b>					\$0	\$0	\$0
<b>Net Total for SFY 2013</b>		100%			\$3,046,220	\$4,945,115	\$7,991,335

## Audiology Summary

Comparison Group	SFY 2010				SFY 2011				SFY 2012				SFY 2013				Total Increase		
	% of Medi-care	General Revenue	Federal	Total	% of Medi-care	General Revenue	Federal	Total	% of Medi-care	General Revenue	Federal	Total	% of Medi-care	General Revenue	Federal	Total	General Revenue	Federal	Total
<b>Using Medicare Rates</b>																			
Cost to Reach Parity - Medicare	53%	\$42,854	\$76,898	\$119,752	69%	\$42,854	\$76,898	\$119,752	84%	\$42,854	\$76,898	\$119,752	100%	\$42,854	\$76,898	\$119,752	\$171,416	\$307,592	\$479,008
Savings to Reach Parity - Medicare	128%	(\$9,909)	(\$17,945)	(\$27,854)	\$1	(\$9,909)	(\$17,945)	(\$27,854)	\$1	(\$9,909)	(\$17,945)	(\$27,854)	\$1	(\$9,909)	(\$17,945)	(\$27,854)	(\$39,636)	(\$71,780)	(\$111,416)
Net Total to Reach Parity - Medicare	74%	\$32,945	\$58,953	\$91,898	82%	\$32,945	\$58,953	\$91,898	91%	\$32,945	\$58,953	\$91,898	100%	\$32,945	\$58,953	\$91,898	\$131,780	\$235,812	\$367,592
<b>Using State Proxy</b>																			
Cost to Reach Parity - Proxy Rate	67%	\$14,533	\$23,301	\$37,834	78%	\$14,533	\$23,301	\$37,834	89%	\$14,533	\$23,301	\$37,834	100%	\$14,533	\$23,301	\$37,834	\$58,132	\$93,204	\$151,336
Savings to Reach Parity - Proxy Rate	118%	(\$451)	(\$816)	(\$1,267)	112%	(\$451)	(\$816)	(\$1,267)	106%	(\$451)	(\$816)	(\$1,267)	100%	(\$451)	(\$816)	(\$1,267)	(\$1,804)	(\$3,264)	(\$5,068)
Net Total to Reach Parity - Proxy Rate	70%	\$14,082	\$22,485	\$36,567	80%	\$14,082	\$22,485	\$36,567	90%	\$14,082	\$22,485	\$36,567	100%	\$14,082	\$22,485	\$36,567	\$56,328	\$89,940	\$146,268
<b>Using CPI</b>																			
Cost to Reach Parity - CPI Rate	89%	\$735	\$960	\$1,695	93%	\$867	\$1,131	\$1,998	96%	\$878	\$1,147	\$2,025	100%	\$890	\$1,162	\$2,052	\$3,370	\$4,400	\$7,770
<b>Total</b>																			
Total Cost to Reach Parity	61%	\$58,122	\$101,159	\$159,281	74%	\$58,254	\$101,330	\$159,584	87%	\$58,265	\$101,346	\$159,611	100%	\$58,277	\$101,361	\$159,638	\$232,918	\$405,196	\$638,114
Total Savings to Reach Parity	127%	(\$10,360)	(\$18,761)	(\$29,121)	118%	(\$10,360)	(\$18,761)	(\$29,121)	109%	(\$10,360)	(\$18,761)	(\$29,121)	100%	(\$10,360)	(\$18,761)	(\$29,121)	(\$41,440)	(\$75,044)	(\$116,484)
Net Total to Reach Parity	74%	\$47,762	\$82,398	\$130,160	83%	\$47,894	\$82,569	\$130,463	91%	\$47,905	\$82,585	\$130,490	100%	\$47,917	\$82,600	\$130,517	\$191,478	\$330,152	\$521,630



**Four-Year Plan to Reach Reimbursement Parity**  
**Audiology**  
**SFY 2010: First-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Evaluations/Testing	53%	27	12,188	\$41,436	\$75,045	\$116,481
Adults	Evaluations/Testing	56%	5	337	\$1,418	\$1,853	\$3,271
<b>Total Cost</b>		<b>53%</b>		<b>12,525</b>	<b>\$42,854</b>	<b>\$76,898</b>	<b>\$119,752</b>
Children	Cost Savings	128%	8	1,772	(\$9,909)	(\$17,945)	(\$27,854)
<b>Net Total to Reach Parity with Medicare Rate</b>		<b>74%</b>		<b>14,297</b>	<b>\$32,945</b>	<b>\$58,953</b>	<b>\$91,898</b>
<b>Codes with State Proxy Comparison</b>							
Children	Evaluations/Testing	44%	7	131	\$8,558	\$15,498	\$24,056
Adults	Evaluations/Testing	77%	19	312	\$5,975	\$7,803	\$13,778
<b>Total Cost</b>		<b>67%</b>		<b>443</b>	<b>\$14,533</b>	<b>\$23,301</b>	<b>\$37,834</b>
Children	Cost Savings	118%	1	9,517	(\$451)	(\$816)	(\$1,267)
<b>Net Total to Reach Parity with State Proxy</b>		<b>70%</b>		<b>9,960</b>	<b>\$14,082</b>	<b>\$22,485</b>	<b>\$36,567</b>
<b>Codes with CPI Comparison</b>							
Children	Evaluations/Testing	89%	6	46	\$11	\$14	\$25
Adults	Evaluations/Testing	89%	13	688	\$724	\$946	\$1,670
<b>Total to Reach Parity with CPI Rate</b>		<b>89%</b>		<b>734</b>	<b>\$735</b>	<b>\$960</b>	<b>\$1,695</b>
<b>Total Cost</b>		<b>61%</b>		<b>13,702</b>	<b>\$58,122</b>	<b>\$101,159</b>	<b>\$159,281</b>
<b>Total Savings</b>		<b>127%</b>		<b>11,289</b>	<b>(\$10,360)</b>	<b>(\$18,761)</b>	<b>(\$29,121)</b>
<b>Net Total to Reach Parity - SFY 2010</b>		<b>74%</b>		<b>24,991</b>	<b>\$47,762</b>	<b>\$82,398</b>	<b>\$130,160</b>



**Four-Year Plan to Reach Reimbursement Parity**  
**Audiology**  
**SFY 2011: Second-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Evaluations/Testing	69%	27	12,188	\$41,436	\$75,045	\$116,481
Adults	Evaluations/Testing	71%	5	337	\$1,418	\$1,853	\$3,271
	<b>Total Cost</b>	<b>69%</b>		<b>12,525</b>	<b>\$42,854</b>	<b>\$76,898</b>	<b>\$119,752</b>
Children	Cost Savings	119%	8	1,772	(\$9,909)	(\$17,945)	(\$27,854)
	<b>Net Total to Reach Parity with Medicare Rate</b>	<b>82%</b>		<b>14,297</b>	<b>\$32,945</b>	<b>\$58,953</b>	<b>\$91,898</b>
Codes with State Proxy Comparison							
Children	Evaluations/Testing	63%	7	131	\$8,558	\$15,498	\$24,056
Adults	Evaluations/Testing	85%	19	312	\$5,975	\$7,803	\$13,778
	<b>Total Cost</b>	<b>78%</b>		<b>443</b>	<b>\$14,533</b>	<b>\$23,301</b>	<b>\$37,834</b>
Children	Cost Savings	112%	1	9,517	(\$451)	(\$816)	(\$1,267)
	<b>Net Total to Reach Parity with State Proxy</b>	<b>80%</b>		<b>9,960</b>	<b>\$14,082</b>	<b>\$22,485</b>	<b>\$36,567</b>
Codes with CPI Comparison							
Children	Evaluations/Testing	93%	6	46	\$22	\$28	\$50
Adults	Evaluations/Testing	93%	13	688	\$845	\$1,103	\$1,948
	<b>Total Cost to Reach Parity with CPI Rate</b>	<b>93%</b>		<b>734</b>	<b>\$867</b>	<b>\$1,131</b>	<b>\$1,998</b>
	<b>Total Cost</b>	<b>74%</b>		<b>13,702</b>	<b>\$58,254</b>	<b>\$101,330</b>	<b>\$159,584</b>
	<b>Total Savings</b>	<b>118%</b>		<b>11,289</b>	<b>(\$10,360)</b>	<b>(\$18,761)</b>	<b>(\$29,121)</b>
	<b>Net Total to Reach Parity - SFY 2011</b>	<b>83%</b>		<b>24,991</b>	<b>\$47,894</b>	<b>\$82,569</b>	<b>\$130,463</b>



**Four-Year Plan to Reach Reimbursement Parity**  
**Audiology**  
**SFY 2012: Third-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Evaluations/Testing	84%	27	12,188	\$41,436	\$75,045	\$116,481
Adults	Evaluations/Testing	85%	5	337	\$1,418	\$1,853	\$3,271
<b>Total Cost</b>		<b>84%</b>		<b>12,525</b>	<b>\$42,854</b>	<b>\$76,898</b>	<b>\$119,752</b>
Children	Cost Savings	109%	8	1,772	(\$9,909)	(\$17,945)	(\$27,854)
<b>Net Total to Reach Parity with Medicare Rate</b>		<b>91%</b>		<b>14,297</b>	<b>\$32,945</b>	<b>\$58,953</b>	<b>\$91,898</b>
<b>Codes with State Proxy Comparison</b>							
Children	Evaluations/Testing	81%	7	131	\$8,558	\$15,498	\$24,056
Adults	Evaluations/Testing	92%	19	312	\$5,975	\$7,803	\$13,778
<b>Total Cost</b>		<b>89%</b>		<b>443</b>	<b>\$14,533</b>	<b>\$23,301</b>	<b>\$37,834</b>
Children	Cost Savings	106%	1	9,517	(\$451)	(\$816)	(\$1,267)
<b>Net Total to Reach Parity with State Proxy</b>		<b>90%</b>		<b>9,960</b>	<b>\$14,082</b>	<b>\$22,485</b>	<b>\$36,567</b>
<b>Codes with CPI Comparison</b>							
Children	Evaluations/Testing	96%	6	46	\$33	\$44	\$77
Adults	Evaluations/Testing	96%	13	688	\$845	\$1,103	\$1,948
<b>Total to Reach Parity with CPI Rate</b>		<b>96%</b>		<b>734</b>	<b>\$878</b>	<b>\$1,147</b>	<b>\$2,025</b>
<b>Total Cost</b>		<b>87%</b>		<b>13,702</b>	<b>\$58,265</b>	<b>\$101,346</b>	<b>\$159,611</b>
<b>Total Savings</b>		<b>109%</b>		<b>11,289</b>	<b>(\$10,360)</b>	<b>(\$18,761)</b>	<b>(\$29,121)</b>
<b>Net Total to Reach Parity - SFY 2012</b>		<b>91%</b>		<b>24,991</b>	<b>\$47,905</b>	<b>\$82,585</b>	<b>\$130,490</b>



**Four-Year Plan to Reach Reimbursement Parity**  
**Audiology**  
**SFY 2013: Fourth-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Evaluations/Testing	100%	27	12,188	\$41,436	\$75,045	\$116,481
Adults	Evaluations/Testing	100%	5	337	\$1,418	\$1,853	\$3,271
	<b>Total Cost</b>	<b>100%</b>		<b>12,525</b>	<b>\$42,854</b>	<b>\$76,898</b>	<b>\$119,752</b>
Children	Cost Savings	100%	8	1,772	(\$9,909)	(\$17,945)	(\$27,854)
	<b>Net Total to Reach Parity with Medicare Rate</b>	<b>100%</b>		<b>14,297</b>	<b>\$32,945</b>	<b>\$58,953</b>	<b>\$91,898</b>
Codes with State Proxy Comparison							
Children	Evaluations/Testing	100%	7	131	\$8,558	\$15,498	\$24,056
Adults	Evaluations/Testing	100%	19	312	\$5,975	\$7,803	\$13,778
	<b>Total Cost</b>	<b>100%</b>		<b>443</b>	<b>\$14,533</b>	<b>\$23,301</b>	<b>\$37,834</b>
Children	Cost Savings	100%	1	9,517	(\$451)	(\$816)	(\$1,267)
	<b>Net Total to Reach Parity with State Proxy</b>	<b>100%</b>		<b>9,960</b>	<b>\$14,082</b>	<b>\$22,485</b>	<b>\$36,567</b>
Codes with CPI Comparison							
Children	Evaluations/Testing	100%	6	46	\$45	\$59	\$104
Adults	Evaluations/Testing	100%	13	688	\$845	\$1,103	\$1,948
	<b>Total to Reach Parity with CPI Rate</b>	<b>100%</b>		<b>734</b>	<b>\$890</b>	<b>\$1,162</b>	<b>\$2,052</b>
	<b>Total Cost</b>	<b>100%</b>		<b>13,702</b>	<b>\$58,277</b>	<b>\$101,361</b>	<b>\$159,638</b>
	<b>Total Savings</b>	<b>100%</b>		<b>11,289</b>	<b>(\$10,360)</b>	<b>(\$18,761)</b>	<b>(\$29,121)</b>
	<b>Net Total to Reach Parity - SFY 2013</b>	<b>100%</b>		<b>24,991</b>	<b>\$47,917</b>	<b>\$82,600</b>	<b>\$130,517</b>

Comparison Group	SFY 2010			SFY 2011			SFY 2012			SFY 2013			Total Cost to Reach Parity						
	% of Medi- care	General Revenue	Federal	Total	% of Medi- care	General Revenue	Federal	Total	% of Medi- care	General Revenue	Federal	Total	General Revenue	Federal	Total				
Using Dental UCR	55%	\$5,333,766	\$9,409,317	\$14,743,083	70%	\$5,333,766	\$9,409,317	\$14,743,083	85%	\$5,333,766	\$9,409,317	\$14,743,083	100%	\$5,333,766	\$9,409,317	\$14,743,083	\$21,335,064	\$37,637,268	\$58,972,332
Using Medicare Rates																			
Cost to Reach Parity - Medicare	72%	\$141,160	\$242,684	\$383,844	81%	\$141,160	\$242,684	\$383,844	91%	\$141,160	\$242,684	\$383,844	100%	\$141,160	\$242,684	\$383,844	\$564,640	\$970,736	\$1,535,376
Cost Savings to Reach Parity - Medicare	143%	(\$24)	(\$42)	(\$66)	\$1	(\$24)	(\$42)	(\$66)	\$1	(\$24)	(\$42)	(\$66)	\$1	(\$24)	(\$42)	(\$66)	(\$96)	(\$168)	(\$264)
Net Total to Reach Parity - Medicare	72%	\$141,136	\$242,642	\$383,778	81%	\$141,136	\$242,642	\$383,778	91%	\$141,136	\$242,642	\$383,778	100%	\$141,136	\$242,642	\$383,778	\$564,544	\$970,568	\$1,535,112
Using State Proxy																			
Cost to Reach Parity - Proxy Rate	78%	\$88	\$145	\$233	85%	\$88	\$145	\$233	93%	\$88	\$145	\$233	100%	\$88	\$145	\$233	\$352	\$580	\$932
Using CPI																			
Cost to Reach Parity - CPI Rate	89%	\$21	\$38	\$59	93%	\$21	\$39	\$60	96%	\$22	\$40	\$62	100%	\$23	\$42	\$65	\$87	\$159	\$246
Total																			
Cost to Reach Parity	57%	\$5,475,035	\$9,652,184	\$15,127,219	71%	\$5,475,035	\$9,652,185	\$15,127,220	86%	\$5,475,036	\$9,652,186	\$15,127,222	100%	\$5,475,037	\$9,652,188	\$15,127,225	\$21,900,143	\$38,608,743	\$60,508,886
Cost Savings to Reach Parity	143%	(\$24)	(\$42)	(\$66)	129%	(\$24)	(\$42)	(\$66)	114%	(\$24)	(\$42)	(\$66)	100%	(\$24)	(\$42)	(\$66)	(\$96)	(\$168)	(\$264)
Net Total to Reach Parity	57%	\$5,475,011	\$9,652,142	\$15,127,153	71%	\$5,475,011	\$9,652,143	\$15,127,154	86%	\$5,475,012	\$9,652,144	\$15,127,156	100%	\$5,475,013	\$9,652,146	\$15,127,159	\$21,900,047	\$38,608,575	\$60,508,622



**Four-Year Plan to Reach Reimbursement Parity**  
**Dental**  
**SFY 2010: First-Year Plan**

Codes with UCR Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Dental Services	55%	161	410,758	\$4,835,207	\$8,751,498	\$13,586,705
Adults	Dental Services	55%	136	46,962	\$498,559	\$657,819	\$1,156,378
<b>Total Cost to Reach Parity with UCR</b>		<b>55%</b>	<b>297</b>	<b>457,720</b>	<b>\$5,333,766</b>	<b>\$9,409,317</b>	<b>\$14,743,083</b>
Codes with Medicare Comparison							
Children	Cost - Dental Services (Physician codes billed by dentists)	72%	74	48,569	\$103,879	\$178,548	\$282,427
Adults	Cost -Dental Services (Physician codes billed by dentists)	72%	93	8,934	\$37,281	\$64,136	\$101,417
<b>Total Cost to Reach Parity with Medicare</b>		<b>72%</b>	<b>167</b>	<b>57,503</b>	<b>\$141,160</b>	<b>\$242,684</b>	<b>\$383,844</b>
Children	Savings - Dental Services (Physician codes billed by dentists)	155%	2	9	(\$11)	(\$19)	(\$30)
Adults	Savings - Dental Services (Physician codes billed by dentists)	135%	3	12	(\$13)	(\$23)	(\$36)
<b>Total Cost Savings to Reach Parity with Medicare</b>		<b>143%</b>	<b>5</b>	<b>21</b>	<b>(\$24)</b>	<b>(\$42)</b>	<b>(\$66)</b>
<b>Net Total to Reach Parity with Medicare</b>		<b>72%</b>	<b>172</b>	<b>57,524</b>	<b>\$141,136</b>	<b>\$242,642</b>	<b>\$383,778</b>
Codes with Proxy Comparison							
Children	Cost - Dental Services	79%	1	5	\$53	\$98	\$151
Adults	Cost - Dental Services	78%	1	1	\$35	\$47	\$82
<b>Total Cost to Reach Parity with Proxy Rate</b>		<b>78%</b>	<b>2</b>	<b>6</b>	<b>\$88</b>	<b>\$145</b>	<b>\$233</b>
Codes with CPI Comparison							
Children	Cost - Dental Services	89%	1	1	\$21	\$38	\$59
<b>Total Cost to Reach Parity with CPI Rate</b>		<b>89%</b>	<b>1</b>	<b>1</b>	<b>\$21</b>	<b>\$38</b>	<b>\$59</b>
<b>Total Cost</b>		<b>57%</b>	<b>467</b>	<b>515,230</b>	<b>\$5,475,035</b>	<b>\$9,652,184</b>	<b>\$15,127,219</b>
<b>Total Savings</b>		<b>143%</b>	<b>5</b>	<b>21</b>	<b>(\$24)</b>	<b>(\$42)</b>	<b>(\$66)</b>
<b>Net Total to Reach Parity - SFY 2010</b>		<b>57%</b>	<b>472</b>	<b>515,251</b>	<b>\$5,475,011</b>	<b>\$9,652,142</b>	<b>\$15,127,153</b>





**Four-Year Plan to Reach Reimbursement Parity**  
**Dental**  
**SFY 2011: Second-Year Plan**

Codes with UCR Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Dental Services	70%	161	410,758	\$4,835,207	\$8,751,498	\$13,586,705
Adults	Dental Services	70%	136	46,962	\$498,559	\$657,819	\$1,156,378
<b>Total Cost to Reach Parity with UCR</b>		<b>70%</b>	<b>297</b>	<b>457,720</b>	<b>\$5,333,766</b>	<b>\$9,409,317</b>	<b>\$14,743,083</b>
<b>Codes with Medicare Comparison</b>							
Children	Cost - Dental Services (Physician codes billed by dentists)	82%	74	48,569	\$103,879	\$178,548	\$282,427
Adults	Cost -Dental Services (Physician codes billed by dentists)	81%	93	8,934	\$37,281	\$64,136	\$101,417
<b>Total Cost to Reach Parity with Medicare</b>		<b>81%</b>	<b>167</b>	<b>57,503</b>	<b>\$141,160</b>	<b>\$242,684</b>	<b>\$383,844</b>
Children	Savings - Dental Services (Physician codes billed by dentists)	137%	2	9	(\$11)	(\$19)	(\$30)
Adults	Savings - Dental Services (Physician codes billed by dentists)	123%	3	12	(\$13)	(\$23)	(\$36)
<b>Total Cost Savings to Reach Parity with Medicare</b>		<b>129%</b>	<b>5</b>	<b>21</b>	<b>(\$24)</b>	<b>(\$42)</b>	<b>(\$66)</b>
<b>Net Total to Reach Parity with Medicare</b>		<b>81%</b>	<b>172</b>	<b>57,524</b>	<b>\$141,136</b>	<b>\$242,642</b>	<b>\$383,778</b>
<b>Codes with Proxy Comparison</b>							
Children	Cost - Dental Services	86%	1	5	\$53	\$98	\$151
Adults	Cost - Dental Services	85%	1	1	\$35	\$47	\$82
<b>Total Cost to Reach Parity with Proxy Rate</b>		<b>85%</b>	<b>2</b>	<b>6</b>	<b>\$88</b>	<b>\$145</b>	<b>\$233</b>
<b>Codes with CPI Comparison</b>							
Children	Cost - Dental Services	93%	1	1	\$21	\$39	\$60
<b>Total Cost to Reach Parity with CPI Rate</b>		<b>93%</b>	<b>1</b>	<b>1</b>	<b>\$21</b>	<b>\$39</b>	<b>\$60</b>
<b>Total Cost</b>		<b>71%</b>	<b>467</b>	<b>515,230</b>	<b>\$5,475,035</b>	<b>\$9,652,185</b>	<b>\$15,127,220</b>
<b>Total Savings</b>		<b>129%</b>	<b>5</b>	<b>21</b>	<b>(\$24)</b>	<b>(\$42)</b>	<b>(\$66)</b>
<b>Net Total to Reach Parity - SFY 2011</b>		<b>71%</b>	<b>472</b>	<b>515,251</b>	<b>\$5,475,011</b>	<b>\$9,652,143</b>	<b>\$15,127,154</b>



**Four-Year Plan to Reach Reimbursement Parity**  
**Dental**  
**SFY 2012: Third-Year Plan**

Codes with UCR Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Dental Services	85%	161	410,758	\$4,835,207	\$8,751,498	\$13,586,705
Adults	Dental Services	85%	136	46,962	\$498,559	\$657,819	\$1,156,378
<b>Total Cost to Reach Parity with UCR</b>		<b>85%</b>	<b>297</b>	<b>457,720</b>	<b>\$5,333,766</b>	<b>\$9,409,317</b>	<b>\$14,743,083</b>
<b>Codes with Medicare Comparison</b>							
Children	Cost - Dental Services (Physician codes billed by dentists)	91%	74	48,569	\$103,879	\$178,548	\$282,427
Adults	Cost -Dental Services (Physician codes billed by dentists)	91%	93	8,934	\$37,281	\$64,136	\$101,417
<b>Total Cost to Reach Parity with Medicare</b>		<b>91%</b>	<b>167</b>	<b>57,503</b>	<b>\$141,160</b>	<b>\$242,684</b>	<b>\$383,844</b>
Children	Savings - Dental Services (Physician codes billed by dentists)	118%	2	9	(\$11)	(\$19)	(\$30)
Adults	Savings - Dental Services (Physician codes billed by dentists)	112%	3	12	(\$13)	(\$23)	(\$36)
<b>Total Cost Savings to Reach Parity with Medicare</b>		<b>114%</b>	<b>5</b>	<b>21</b>	<b>(\$24)</b>	<b>(\$42)</b>	<b>(\$66)</b>
<b>Net Total to Reach Parity with Medicare</b>		<b>91%</b>	<b>172</b>	<b>57,524</b>	<b>\$141,136</b>	<b>\$242,642</b>	<b>\$383,778</b>
<b>Codes with Proxy Comparison</b>							
Children	Cost - Dental Services	93%	1	5	\$53	\$98	\$151
Adults	Cost - Dental Services	93%	1	1	\$35	\$47	\$82
<b>Total Cost to Reach Parity with Proxy Rate</b>		<b>93%</b>	<b>2</b>	<b>6</b>	<b>\$88</b>	<b>\$145</b>	<b>\$233</b>
<b>Codes with CPI Comparison</b>							
Children	Cost - Dental Services	96%	1	1	\$22	\$40	\$62
<b>Total Cost to Reach Parity with CPI Rate</b>		<b>96%</b>	<b>1</b>	<b>1</b>	<b>\$22</b>	<b>\$40</b>	<b>\$62</b>
<b>Total Cost</b>		<b>86%</b>	<b>467</b>	<b>515,230</b>	<b>\$5,475,036</b>	<b>\$9,652,186</b>	<b>\$15,127,222</b>
<b>Total Savings</b>		<b>114%</b>	<b>5</b>	<b>21</b>	<b>(\$24)</b>	<b>(\$42)</b>	<b>(\$66)</b>
<b>Net Total to Reach Parity - SFY 2012</b>		<b>86%</b>	<b>472</b>	<b>515,251</b>	<b>\$5,475,012</b>	<b>\$9,652,144</b>	<b>\$15,127,156</b>



**Four-Year Plan to Reach Reimbursement Parity**  
**Dental**  
**SFY 2013: Fourth-Year Plan**

Codes with UCR Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Dental Services	100%	161	410,758	\$4,835,207	\$8,751,498	\$13,586,705
Adults	Dental Services	100%	136	46,962	\$498,559	\$657,819	\$1,156,378
<b>Total Cost to Reach Parity with UCR</b>		<b>100%</b>	<b>297</b>	<b>457,720</b>	<b>\$5,333,766</b>	<b>\$9,409,317</b>	<b>\$14,743,083</b>
<b>Codes with Medicare Comparison</b>							
Children	Cost - Dental Services (Physician codes billed by dentists)	100%	74	48,569	\$103,879	\$178,548	\$282,427
Adults	Cost -Dental Services (Physician codes billed by dentists)	100%	93	8,934	\$37,281	\$64,136	\$101,417
<b>Total Cost to Reach Parity with Medicare</b>		<b>100%</b>	<b>167</b>	<b>57,503</b>	<b>\$141,160</b>	<b>\$242,684</b>	<b>\$383,844</b>
Children	Savings - Dental Services (Physician codes billed by dentists)	100%	2	9	(\$11)	(\$19)	(\$30)
Adults	Savings - Dental Services (Physician codes billed by dentists)	100%	3	12	(\$13)	(\$23)	(\$36)
<b>Total Cost Savings to Reach Parity with Medicare</b>		<b>100%</b>	<b>5</b>	<b>21</b>	<b>(\$24)</b>	<b>(\$42)</b>	<b>(\$66)</b>
<b>Net Total to Reach Parity with Medicare</b>		<b>100%</b>	<b>172</b>	<b>57,524</b>	<b>\$141,136</b>	<b>\$242,642</b>	<b>\$383,778</b>
<b>Codes with Proxy Comparison</b>							
Children	Cost - Dental Services	100%	1	5	\$53	\$98	\$151
Adults	Cost - Dental Services	100%	1	1	\$35	\$47	\$82
<b>Total Cost to Reach Parity with Proxy Rate</b>		<b>100%</b>	<b>2</b>	<b>6</b>	<b>\$88</b>	<b>\$145</b>	<b>\$233</b>
<b>Codes with CPL Comparison</b>							
Children	Cost - Dental Services	100%	1	1	\$23	\$42	\$65
<b>Total Cost to Reach Parity with CPL Rate</b>		<b>100%</b>	<b>1</b>	<b>1</b>	<b>\$23</b>	<b>\$42</b>	<b>\$65</b>
<b>Total Cost</b>		<b>100%</b>	<b>467</b>	<b>515,230</b>	<b>\$5,475,037</b>	<b>\$9,652,188</b>	<b>\$15,127,225</b>
<b>Total Savings</b>		<b>100%</b>	<b>5</b>	<b>21</b>	<b>(\$24)</b>	<b>(\$42)</b>	<b>(\$66)</b>
<b>Net Total to Reach Parity - SFY 2013</b>		<b>100%</b>	<b>472</b>	<b>515,251</b>	<b>\$5,475,013</b>	<b>\$9,652,146</b>	<b>\$15,127,159</b>

	SFY 2010			SFY 2011			SFY 2012			SFY 2013			Total Increase		
Comparison Group	% of Medi-care Revenue	General Revenue	Federal	Total	% of Medi-care Revenue	General Revenue	Federal	Total	% of Medi-care Revenue	General Revenue	Federal	Total	General Revenue	Federal	Total
Using Medicare Rates															
Cost to Reach Parity - Medicare	92%	\$204,613	\$337,522	\$542,135	95%	\$204,613	\$337,522	\$542,135	97%	\$204,613	\$337,522	\$542,135	\$818,452	\$1,350,088	\$2,168,540
Savings to Reach Parity - Medicare	106%	(\$6,940)	(\$11,558)	(\$18,498)	104%	(\$6,940)	(\$11,558)	(\$18,498)	102%	(\$6,940)	(\$11,558)	(\$18,498)	(\$27,760)	(\$46,232)	(\$73,992)
Net Total to Reach Parity - Medicare	93%	\$197,673	\$325,964	\$523,637	95%	\$197,673	\$325,964	\$523,637	98%	\$197,673	\$325,964	\$523,637	\$790,692	\$1,303,856	\$2,094,548
Using State Proxy															
Cost to Reach Parity - Proxy	84%	\$222,055	\$392,669	\$614,724	90%	\$222,055	\$392,669	\$614,724	95%	\$222,055	\$392,669	\$614,724	\$888,220	\$1,570,676	\$2,458,896
Savings to Reach Parity - Proxy	128%	(\$128,286)	(\$212,327)	(\$340,613)	118%	(\$128,286)	(\$212,327)	(\$340,613)	109%	(\$128,286)	(\$212,327)	(\$340,613)	(\$513,144)	(\$849,308)	(\$1,362,452)
Net Total to Reach Parity - Proxy	117%	\$93,769	\$180,342	\$274,111	111%	\$93,769	\$180,342	\$274,111	106%	\$93,769	\$180,342	\$274,111	\$375,076	\$721,368	\$1,096,444
Using CPI															
Cost to Reach Parity - CPI	89%	\$55,646	\$98,053	\$153,699	93%	\$58,054	\$102,300	\$160,354	96%	\$60,035	\$105,803	\$165,838	\$235,787	\$415,505	\$651,292
Total															
Total Cost to Reach Parity		\$482,314	\$928,244	\$1,310,558		\$484,722	\$932,491	\$1,317,213		\$486,703	\$935,994	\$1,322,697	\$1,942,459	\$3,336,289	\$5,278,728
Total Savings to Reach Parity		(\$135,226)	(\$223,889)	(\$359,111)		(\$135,226)	(\$223,889)	(\$359,111)		(\$135,226)	(\$223,889)	(\$359,111)	(\$540,904)	(\$895,540)	(\$1,436,444)
Net Total to Reach Parity	96%	\$347,088	\$804,359	\$951,447	97%	\$349,496	\$808,606	\$958,102	99%	\$351,477	\$812,109	\$963,586	\$1,401,555	\$2,440,729	\$3,842,284



# Four-Year Plan to Reach Reimbursement Parity

**DME**  
**SFY 2010: First-Year Plan**  
**(1 of 3)**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Services	GR	Federal	Total
<b>Children</b>							
Cost	Supplies - Purchase	100%	148	288,026	\$604	\$1,093	\$1,697
Cost	Enteral & Parenteral Therapy - Purchase	90%	1	101,099	\$11,701	\$21,191	\$32,892
Cost	Equipment Purchase	98%	115	5,661	\$4,599	\$8,329	\$12,928
Cost	Equipment Rental	96%	52	22,093	\$19,138	\$34,660	\$53,798
Cost	Orthotic & Prosthetic - Purchase	85%	290	9,562	\$96,402	\$174,592	\$270,994
<b>Adults</b>							
Cost	Supplies - Purchase	95%	137	126,209	\$7,566	\$10,239	\$17,805
Cost	Equipment - Purchase	100%	156	6,137	\$4,142	\$5,606	\$9,748
Cost	Orthotic & Prosthetic - Purchase	87%	296	8,314	\$60,461	\$81,812	\$142,273
<b>Total Cost</b>		<b>92%</b>		<b>567,101</b>	<b>\$204,613</b>	<b>\$337,522</b>	<b>\$542,135</b>
<b>Children</b>							
Cost Savings	Supplies - Purchase	113%	2	2,346	(\$1,072)	(\$1,942)	(\$3,014)
Cost Savings	Equipment - Purchase	132%	3	238	(\$2,514)	(\$4,552)	(\$7,066)
Cost Savings	Equipment Rental	101%	6	2,909	(\$1,107)	(\$2,006)	(\$3,113)
Cost Savings	Orthotic & Prosthetic - Purchase	104%	1	37	(\$36)	(\$65)	(\$101)
<b>Adults</b>							
Cost Savings	Equipment - Purchase	136%	11	318	(\$2,211)	(\$2,993)	(\$5,204)
<b>Total Savings</b>		<b>106%</b>		<b>5,848</b>	<b>(\$6,940)</b>	<b>(\$11,558)</b>	<b>(\$18,498)</b>
<b>Net Total Cost to Reach Parity with Medicare</b>		<b>93%</b>		<b>572,949</b>	<b>\$197,673</b>	<b>\$325,964</b>	<b>\$523,637</b>



# Four-Year Plan to Reach Reimbursement Parity

DME

SFY 2010: First-Year Plan  
(2 of 3)

Codes with State Proxy Comparison		MO HealthNet as % of Comparison Group		Number of Codes	Units of Services	GR	Federal	Total
Children								
Cost	Supplies - Purchase	77%	32	1,475,204	\$76,505	\$138,555	\$215,060	
Cost	Enteral & Parenteral Therapy - Purchase	83%	17	2,729,773	\$123,493	\$223,657	\$347,150	
Cost	Orthotic & Prosthetic - Purchase	79%	12	342	\$1,329	\$2,407	\$3,736	
Adults								
Cost	Supplies - Purchase	96%	3	16,492	\$334	\$453	\$787	
Cost	Enteral & Parenteral Therapy - Purchase	84%	11	647,448	\$20,244	\$27,394	\$47,638	
Cost	Orthotic & Prosthetic - Purchase	66%	6	18	\$150	\$203	\$353	
Total Cost		84%		4,869,277	\$222,055	\$392,669	\$614,724	
Children								
Cost Savings	Supplies - Purchase	222%	9	2,135	(\$2,472)	(\$4,479)	(\$6,951)	
Cost Savings	Enteral & Parenteral Therapy - Purchase	124%	9	173,335	(\$81,697)	(\$147,960)	(\$229,657)	
Cost Savings	Enteral & Parenteral Therapy - Rental	159%	1	11	(\$383)	(\$693)	(\$1,076)	
Cost Savings	Equipment Purchase	121%	1	1	(\$27)	(\$49)	(\$76)	
Cost Savings	Orthotic & Prosthetic - Purchase	116%	1	6	(\$4)	(\$8)	(\$12)	
Adults								
Cost Savings	Supplies - Purchase	220%	2	722	(\$978)	(\$1,324)	(\$2,302)	
Cost Savings	Enteral & Parenteral Therapy - Purchase	134%	14	48,736	(\$41,661)	(\$56,374)	(\$98,035)	
Cost Savings	Enteral & Parenteral Therapy - Rental	159%	1	39	(\$1,064)	(\$1,440)	(\$2,504)	
Total Savings		128%		224,985	(\$128,286)	(\$212,327)	(\$340,613)	
Net Total Cost to Reach Parity with State Proxy		117%		5,094,262	\$93,769	\$180,342	\$274,111	



# Four-Year Plan to Reach Reimbursement Parity

**DME**  
**SFY 2010: First-Year Plan**  
**(3 of 3)**

Codes with CPI Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Services	GR	Federal	Total
Children	Supplies - Purchase	89%	18	227,646	\$9,157	\$16,584	\$25,741
	Enteral & Parenteral Therapy - Purchase	89%	5	73,711	\$3,213	\$5,819	\$9,032
	Equipment Purchase	89%	2	4,653	\$25,110	\$45,477	\$70,587
	Equipment Rental	89%	3	1,943	\$12,760	\$23,110	\$35,870
	Orthotic & Prosthetic - Purchase	89%	1	1	\$1	\$2	\$3
Adults	Supplies - Purchase	89%	6	11,632	\$2,580	\$3,370	\$5,950
	Enteral & Parenteral Therapy - Purchase	89%	7	5,987	\$1,260	\$1,646	\$2,906
	Enteral & Parenteral Therapy - Rental	89%	4	5,940	\$619	\$809	\$1,428
	Equipment Purchase	89%	2	254	\$946	\$1,236	\$2,182
	Total Cost to Reach Parity with CPI	89%		331,767	\$55,646	\$98,053	\$153,699
Total Cost		92%		5,201,044	\$482,314	\$828,244	\$1,310,558
Total Savings		123%		224,985	(\$135,226)	(\$223,885)	(\$359,111)
Net Total to Reach Parity - SFY 2010		96%		5,426,029	\$347,088	\$604,359	\$951,447



# Four-Year Plan to Reach Reimbursement Parity

DME

SFY 2011: Second-Year Plan  
(1 of 3)

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group						GR			Federal		Total
			of Codes	Services									
<b>Children</b>													
Cost	Supplies - Purchase	100%	148	288,026	\$604		\$1,093		\$1,697				
Cost	Enteral & Parenteral Therapy - Purchase	93%	1	101,099	\$11,701		\$21,191		\$32,892				
Cost	Equipment Purchase	99%	115	5,661	\$4,599		\$8,329		\$12,928				
Cost	Equipment Rental	97%	52	22,093	\$19,138		\$34,660		\$53,798				
Cost	Orthotic & Prosthetic - Purchase	90%	290	9,562	\$96,402		\$174,592		\$270,994				
<b>Adults</b>													
Cost	Supplies - Purchase	96%	137	126,209	\$7,566		\$10,239		\$17,805				
Cost	Equipment - Purchase	100%	156	6,137	\$4,142		\$5,606		\$9,748				
Cost	Orthotic & Prosthetic - Purchase	91%	296	8,314	\$60,461		\$81,812		\$142,273				
<b>Total Cost</b>		<b>95%</b>		<b>567,101</b>	<b>\$204,613</b>		<b>\$337,522</b>		<b>\$542,135</b>				
<b>Children</b>													
Cost Savings	Supplies - Purchase	109%	2	2,346	(\$1,072)		(\$1,942)		(\$3,014)				
Cost Savings	Equipment - Purchase	121%	3	238	(\$2,514)		(\$4,552)		(\$7,066)				
Cost Savings	Equipment Rental	101%	6	2,909	(\$1,107)		(\$2,006)		(\$3,113)				
Cost Savings	Orthotic & Prosthetic - Purchase	103%	1	37	(\$36)		(\$65)		(\$101)				
<b>Adults</b>													
Cost Savings	Equipment - Purchase	124%	11	318	(\$2,211)		(\$2,993)		(\$5,204)				
<b>Total Savings</b>		<b>104%</b>		<b>5,848</b>	<b>(\$6,940)</b>		<b>(\$11,558)</b>		<b>(\$18,498)</b>				
<b>Net Total Cost to Reach Parity with Medicare</b>		<b>95%</b>		<b>572,949</b>	<b>\$197,673</b>		<b>\$325,964</b>		<b>\$523,637</b>				





# Four-Year Plan to Reach Reimbursement Parity

DME

SFY 2011: Second-Year Plan  
(2 of 3)

Codes with State Proxy Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Services	GR	Federal	Total
Children							
Cost	Supplies - Purchase	85%	32	1,475,204	\$76,505	\$138,555	\$215,060
Cost	Enteral & Parenteral Therapy - Purchase	89%	17	2,729,773	\$123,493	\$223,657	\$347,150
Cost	Orthotic & Prosthetic - Purchase	86%	12	342	\$1,329	\$2,407	\$3,736
Adults							
Cost	Supplies - Purchase	97%	3	16,492	\$334	\$453	\$787
Cost	Enteral & Parenteral Therapy - Purchase	89%	11	647,448	\$20,244	\$27,394	\$47,638
Cost	Orthotic & Prosthetic - Purchase	77%	6	18	\$150	\$203	\$353
	Total Cost	90%		4,869,277	\$222,055	\$392,669	\$614,724
Children							
Cost Savings	Supplies - Purchase	181%	9	2,135	(\$2,472)	(\$4,479)	(\$6,951)
Cost Savings	Enteral & Parenteral Therapy - Purchase	116%	9	173,335	(\$81,697)	(\$147,960)	(\$229,657)
Cost Savings	Enteral & Parenteral Therapy - Rental	140%	1	11	(\$383)	(\$693)	(\$1,076)
Cost Savings	Equipment Purchase	114%	1	1	(\$27)	(\$49)	(\$76)
Cost Savings	Orthotic & Prosthetic - Purchase	111%	1	6	(\$4)	(\$8)	(\$12)
Adults							
Cost Savings	Supplies - Purchase	180%	2	722	(\$976)	(\$1,324)	(\$2,302)
Cost Savings	Enteral & Parenteral Therapy - Purchase	123%	14	48,736	(\$41,661)	(\$56,374)	(\$98,035)
Cost Savings	Enteral & Parenteral Therapy - Rental	140%	1	39	(\$1,064)	(\$1,440)	(\$2,504)
	Total Savings	118%		224,985	(\$128,286)	(\$212,327)	(\$340,613)
	Net Total Cost to Reach Parity with State Proxy	111%		5,094,262	\$93,769	\$180,342	\$274,111



# Four-Year Plan to Reach Reimbursement Parity

DME

SFY 2011: Second-Year Plan  
(3 of 3)

Codes with CPI Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Services	GR	Federal	Total
Children	Supplies - Purchase	93%	18	227,646	\$9,320	\$16,879	\$26,199
	Enteral & Parenteral Therapy - Purchase	92%	5	73,711	\$3,711	\$6,721	\$10,432
	Equipment Purchase	93%	2	4,653	\$26,142	\$47,346	\$73,488
	Equipment Rental	93%	3	1,943	\$13,251	\$23,999	\$37,250
	Orthotic & Prosthetic - Purchase	93%	1	1	\$1	\$3	\$4
Adults	Supplies - Purchase	93%	6	11,632	\$2,712	\$3,542	\$6,254
	Enteral & Parenteral Therapy - Purchase	93%	7	5,987	\$1,308	\$1,709	\$3,017
	Enteral & Parenteral Therapy - Rental	93%	4	5,940	\$623	\$813	\$1,436
	Equipment Purchase	93%	2	254	\$986	\$1,288	\$2,274
	Total Cost to Reach Parity with CPI		93%		331,767	\$58,054	\$102,300
Total Cost		94%		5,768,145	\$484,722	\$832,491	\$1,317,213
Total Savings		115%		230,833	(\$135,226)	(\$223,885)	(\$359,111)
Net Total to Reach Parity - SFY 2011		97%		5,998,978	\$349,496	\$608,606	\$958,102



# Four-Year Plan to Reach Reimbursement Parity

DME  
SFY 2012: Second-Year Plan  
(1 of 3)

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Services	GR	Federal	Total
Children	Supplies - Purchase	100%	148	288,026	\$604	\$1,093	\$1,697
	Enteral & Parenteral Therapy - Purchase	97%	1	101,099	\$11,701	\$21,191	\$32,892
	Equipment Purchase	99%	115	5,661	\$4,599	\$8,329	\$12,928
	Equipment Rental	99%	52	22,093	\$19,138	\$34,660	\$53,798
	Orthotic & Prosthetic - Purchase	95%	290	9,562	\$96,402	\$174,592	\$270,994
Adults							
	Supplies - Purchase	98%	137	126,209	\$7,566	\$10,239	\$17,805
	Equipment - Purchase	100%	156	6,137	\$4,142	\$5,606	\$9,748
	Orthotic & Prosthetic - Purchase	96%	296	8,314	\$60,461	\$81,812	\$142,273
	Total Cost	97%		567,101	\$204,613	\$337,522	\$542,135
Children							
	Supplies - Purchase	104%	2	2,346	(\$1,072)	(\$1,942)	(\$3,014)
	Equipment - Purchase	111%	3	238	(\$2,514)	(\$4,552)	(\$7,066)
	Equipment Rental	100%	6	2,909	(\$1,107)	(\$2,006)	(\$3,113)
	Orthotic & Prosthetic - Purchase	101%	1	37	(\$36)	(\$65)	(\$101)
Adults							
	Equipment - Purchase	112%	11	318	(\$2,211)	(\$2,993)	(\$5,204)
	Total Savings	102%		5,848	(\$6,940)	(\$11,558)	(\$18,498)
	Net Total Cost to Reach Parity with Medicare	98%		572,949	\$197,673	\$325,964	\$523,637



# Four-Year Plan to Reach Reimbursement Parity

DME  
SFY 2012: Second-Year Plan  
(2 of 3)

Codes with State Proxy Comparison		MO HealthNet as % of Comparison Group					
			of Codes	Services	GR	Federal	Total
Children	Supplies - Purchase	92%	32	1,475,204	\$76,505	\$138,555	\$215,060
	Cost						
	Enteral & Parenteral Therapy - Purchase	94%	17	2,729,773	\$123,493	\$223,657	\$347,150
	Orthotic & Prosthetic - Purchase	93%	12	342	\$1,329	\$2,407	\$3,736
Adults	Supplies - Purchase	99%	3	16,492	\$334	\$453	\$787
	Cost						
	Enteral & Parenteral Therapy - Purchase	95%	11	647,448	\$20,244	\$27,394	\$47,638
	Orthotic & Prosthetic - Purchase	89%	6	18	\$150	\$203	
Total Cost		95%		4,869,277	\$222,055	\$392,669	\$614,371
Children	Supplies - Purchase	141%	9	2,135	(\$2,472)	(\$4,479)	(\$6,951)
	Cost Savings						
	Enteral & Parenteral Therapy - Purchase	108%	9	173,335	(\$81,697)	(\$147,960)	(\$229,657)
	Cost Savings						
	Enteral & Parenteral Therapy - Rental	120%	1	11	(\$383)	(\$693)	(\$1,076)
Cost Savings	Equipment Purchase	107%	1	1	(\$27)	(\$49)	(\$76)
	Orthotic & Prosthetic - Purchase	105%	1	6	(\$4)	(\$8)	(\$12)
	Adults	Supplies - Purchase	140%	2	722	(\$976)	(\$1,324)
Cost Savings							
Enteral & Parenteral Therapy - Purchase		111%	14	48,736	(\$41,661)	(\$56,374)	(\$98,035)
Cost Savings							
Enteral & Parenteral Therapy - Rental	120%	1	39	(\$1,064)	(\$1,440)	(\$2,504)	
Total Savings		109%		224,985	(\$128,286)	(\$212,327)	(\$340,613)
Net Total Cost to Reach Parity with State Proxy		106%		5,094,262	\$93,769	\$180,342	\$273,758



# Four-Year Plan to Reach Reimbursement Parity

DME  
SFY 2012: Second-Year Plan  
(3 of 3)

Codes with CPI Comparison		MO HealthNet as % of Comparison Group		Number of Codes	Units of Services	GR	Federal	Total
<b>Children</b>	Cost	Supplies - Purchase	96%	18	227,646	\$9,422	\$17,063	\$26,485
	Cost	Enteral & Parenteral Therapy - Purchase	96%	5	73,711	\$3,951	\$7,155	\$11,106
	Cost	Equipment Purchase	96%	2	4,653	\$27,093	\$49,067	\$76,160
	Cost	Equipment Rental	96%	3	1,943	\$13,776	\$24,950	\$38,726
	Cost	Orthotic & Prosthetic - Purchase	96%	1	1	\$1	\$3	\$4
<b>Adults</b>	Cost	Supplies - Purchase	96%	6	11,632	\$2,777	\$3,627	\$6,404
	Cost	Enteral & Parenteral Therapy - Purchase	96%	7	5,987	\$1,366	\$1,784	\$3,150
	Cost	Enteral & Parenteral Therapy - Rental	96%	4	5,940	\$628	\$820	\$1,448
	Cost	Equipment Purchase	96%	2	254	\$1,021	\$1,334	\$2,355
	<b>Total Cost to Reach Parity with CPI</b>		96%		<b>331,767</b>	<b>\$60,035</b>	<b>\$105,803</b>	<b>\$165,838</b>
<b>Total Cost</b>			<b>97%</b>		<b>5,768,145</b>	<b>\$486,703</b>	<b>\$835,994</b>	<b>\$1,322,344</b>
<b>Total Savings</b>			<b>108%</b>		<b>230,833</b>	<b>(\$135,226)</b>	<b>(\$223,885)</b>	<b>(\$359,111)</b>
<b>Net Total to Reach Parity - SFY 2012</b>			<b>99%</b>		<b>5,998,978</b>	<b>\$351,477</b>	<b>\$612,109</b>	<b>\$963,233</b>



**Four-Year Plan to Reach Reimbursement Parity**  
**DME**  
**SFY 2013: Second-Year Plan**  
**(1 of 3)**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Services	GR	Federal	Total
<b>Children</b>							
Cost	Supplies - Purchase	100%	148	288,026	\$604	\$1,093	\$1,697
Cost	Enteral & Parenteral Therapy - Purchase	100%	1	101,099	\$11,701	\$21,191	\$32,892
Cost	Equipment Purchase	100%	115	5,661	\$4,599	\$8,329	\$12,928
Cost	Equipment Rental	100%	52	22,093	\$19,138	\$34,660	\$53,798
Cost	Orthotic & Prosthetic - Purchase	100%	290	9,562	\$96,402	\$174,592	\$270,994
<b>Adults</b>							
Cost	Supplies - Purchase	100%	137	126,209	\$7,566	\$10,239	\$17,805
Cost	Equipment - Purchase	100%	156	6,137	\$4,142	\$5,606	\$9,748
Cost	Orthotic & Prosthetic - Purchase	100%	296	8,314	\$60,461	\$81,812	\$142,273
<b>Total Cost</b>		<b>100%</b>		<b>567,101</b>	<b>\$204,613</b>	<b>\$337,522</b>	<b>\$542,135</b>
<b>Children</b>							
Cost Savings	Supplies - Purchase	100%	2	2,346	(\$1,072)	(\$1,942)	(\$3,014)
Cost Savings	Equipment - Purchase	100%	3	238	(\$2,514)	(\$4,552)	(\$7,066)
Cost Savings	Equipment Rental	100%	6	2,909	(\$1,107)	(\$2,006)	(\$3,113)
Cost Savings	Orthotic & Prosthetic - Purchase	100%	1	37	(\$36)	(\$65)	(\$101)
<b>Adults</b>							
Cost Savings	Equipment - Purchase	100%	11	318	(\$2,211)	(\$2,993)	(\$5,204)
<b>Total Savings</b>		<b>100%</b>		<b>5,848</b>	<b>(\$6,940)</b>	<b>(\$11,558)</b>	<b>(\$18,498)</b>
<b>Net Total Cost to Reach Parity with Medicare</b>		<b>100%</b>		<b>572,949</b>	<b>\$197,673</b>	<b>\$325,964</b>	<b>\$523,637</b>



# Four-Year Plan to Reach Reimbursement Parity

**DME**  
**SFY 2013: Second-Year Plan**  
**(2 of 3)**

Codes with State Proxy Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Services	GR	Federal	Total
Children	Supplies - Purchase	100%	32	1,475,204	\$76,505	\$138,555	\$215,060
	Enteral & Parenteral Therapy - Purchase	100%	17	2,729,773	\$123,493	\$223,657	\$347,150
	Orthotic & Prosthetic - Purchase	100%	12	342	\$1,329	\$2,407	\$3,736
Adults	Supplies - Purchase	100%	3	16,492	\$334	\$453	\$787
	Enteral & Parenteral Therapy - Purchase	100%	11	647,448	\$20,244	\$27,394	\$47,638
	Orthotic & Prosthetic - Purchase	100%	6	18	\$150	\$203	\$353
	Total Cost	100%		4,869,277	\$222,055	\$392,669	\$614,724
Children	Supplies - Purchase	100%	9	2,135	(\$2,472)	(\$4,479)	(\$6,951)
	Enteral & Parenteral Therapy - Purchase	100%	9	173,335	(\$81,697)	(\$147,960)	(\$229,657)
	Enteral & Parenteral Therapy - Rental	100%	1	11	(\$383)	(\$693)	(\$1,076)
	Equipment Purchase	100%	1	1	(\$27)	(\$49)	(\$76)
	Orthotic & Prosthetic - Purchase	100%	1	6	(\$4)	(\$8)	(\$12)
Adults	Supplies - Purchase	100%	2	722	(\$978)	(\$1,324)	(\$2,302)
	Enteral & Parenteral Therapy - Purchase	100%	14	48,736	(\$41,661)	(\$56,374)	(\$98,035)
	Enteral & Parenteral Therapy - Rental	100%	1	39	(\$1,064)	(\$1,440)	(\$2,504)
	Total Savings	100%		224,985	(\$128,286)	(\$212,327)	(\$340,613)
Net Total Cost to Reach Parity with State Proxy		100%		5,094,262	\$93,769	\$180,342	\$274,111



# Four-Year Plan to Reach Reimbursement Parity

DME

SFY 2013: Second-Year Plan

(3 of 3)

Codes with CPI Comparison		MO HealthNet as % of Comparison Group					of Codes Services GR Federal Total			
<b>Children</b>	Cost	Supplies - Purchase	100%	18	227,646	\$9,511	\$17,224	\$26,735		
	Cost	Enteral & Parenteral Therapy - Purchase	100%	5	73,711	\$4,009	\$7,260	\$11,269		
	Cost	Equipment Purchase	100%	2	4,653	\$28,208	\$51,086	\$79,294		
	Cost	Equipment Rental	100%	3	1,943	\$14,319	\$25,933	\$40,252		
	Cost	Orthotic & Prosthetic - Purchase	100%	1	1	\$1	\$3	\$4		
<b>Adults</b>	Cost	Supplies - Purchase	100%	6	11,632	\$2,847	\$3,719	\$6,566		
	Cost	Enteral & Parenteral Therapy - Purchase	100%	7	5,987	\$1,425	\$1,862	\$3,287		
	Cost	Enteral & Parenteral Therapy - Rental	100%	4	5,940	\$669	\$873	\$1,542		
	Cost	Equipment Purchase	100%	2	254	\$1,063	\$1,389	\$2,452		
		<b>Total Cost to Reach Parity with CPI</b>	100%		<b>331,767</b>	<b>\$62,052</b>	<b>\$109,349</b>	<b>\$171,401</b>		
<b>Total Cost</b>			<b>100%</b>		<b>5,768,145</b>	<b>\$488,720</b>	<b>\$839,540</b>	<b>\$1,328,260</b>		
<b>Total Savings</b>			<b>100%</b>		<b>230,833</b>	<b>(\$135,226)</b>	<b>(\$223,885)</b>	<b>(\$359,111)</b>		
<b>Net Total to Reach Parity - SFY 2013</b>			<b>100%</b>		<b>5,998,978</b>	<b>\$353,494</b>	<b>\$615,655</b>	<b>\$969,149</b>		



Four-Year Plan to Reach Reimbursement Parity  
Optical Summary

	SFY 2010			SFY 2011			SFY 2012			SFY 2013			TOTAL INCREASE						
Comparison Group	% of Medi-care	General Revenue	Federal	Total	% of Medi-care	General Revenue	Federal	Total	% of Medi-care	General Revenue	Federal	Total	General Revenue	Federal	Total				
Using Medicare Rates																			
Cost to Reach Parity - Medicare	62%	\$689,953	\$1,083,136	\$1,773,089	75%	\$689,953	\$1,083,136	\$1,773,089	87%	\$689,953	\$1,083,136	\$1,773,089	100%	\$689,953	\$1,083,136	\$1,773,089	\$2,759,812	\$4,332,544	\$7,092,356
Cost Savings to Reach Parity - Medicare	113%	(\$868)	(\$1,273)	(\$2,141)	109%	(\$868)	(\$1,273)	(\$2,141)	104%	(\$868)	(\$1,273)	(\$2,141)	100%	(\$868)	(\$1,273)	(\$2,141)	(\$3,472)	(\$5,092)	(\$8,564)
Net Total to Reach Parity - Medicare	62%	\$689,085	\$1,081,863	\$1,770,948	75%	\$689,085	\$1,081,863	\$1,770,948	87%	\$689,085	\$1,081,863	\$1,770,948	100%	\$689,085	\$1,081,863	\$1,770,948	\$2,756,340	\$4,327,452	\$7,083,792
Using State Proxy																			
Total to Reach Parity - Proxy Rate	73%	\$266,046	\$436,723	\$702,769	82%	\$266,046	\$436,723	\$702,769	91%	\$266,046	\$436,723	\$702,769	100%	\$266,046	\$436,723	\$702,769	\$1,064,184	\$1,746,892	\$2,811,076
Using CPI																			
Total to Reach Parity - CPI Rate	89%	\$1,373	\$1,972	\$3,345	93%	\$1,430	\$2,057	\$3,487	96%	\$1,468	\$2,110	\$3,578	100%	\$1,538	\$2,212	\$3,750	\$5,809	\$8,351	\$14,160
Total																			
Total Cost to Reach Parity	66%	\$957,372	\$1,521,831	\$2,479,203	77%	\$957,429	\$1,521,916	\$2,479,345	89%	\$957,467	\$1,521,969	\$2,479,436	100%	\$957,537	\$1,522,071	\$2,479,608	\$3,829,805	\$6,087,787	\$9,917,592
Total Savings to Reach Parity	113%	(\$868)	(\$1,273)	(\$2,141)	109%	(\$868)	(\$1,273)	(\$2,141)	104%	(\$868)	(\$1,273)	(\$2,141)	100%	(\$868)	(\$1,273)	(\$2,141)	(\$3,472)	(\$5,092)	(\$8,564)
Net Total to Reach Parity	66%	\$956,504	\$1,520,558	\$2,477,062	77%	\$956,561	\$1,520,643	\$2,477,204	89%	\$956,599	\$1,520,696	\$2,477,295	100%	\$956,669	\$1,520,798	\$2,477,467	\$3,826,333	\$6,082,695	\$9,909,028



**Four-Year Plan to Reach Reimbursement Parity**  
**Optical**  
**SFY 2010: First-Year Plan**

Codes with Medicare Comparison			MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Exams/Procedures		53%	42	6,147	\$60,803	\$110,120	\$170,923
Adults	Exams/Procedures		52%	56	10,429	\$55,688	\$75,353	\$131,041
Children	Frames/Lens		56%	91	51,676	\$265,732	\$481,263	\$746,995
Adults	Frames/Lens		66%	117	115,400	\$307,730	\$416,400	\$724,130
<b>Total Cost</b>			<b>62%</b>		<b>183,652</b>	<b>\$689,953</b>	<b>\$1,083,136</b>	<b>\$1,773,089</b>
Children	Exams/Procedures - Cost Savings		121%	1	2	(\$9)	(\$16)	(\$25)
Adults	Exams/Procedures - Cost Savings		121%	1	6	(\$13)	(\$18)	(\$31)
Children	Frames/Lens - Cost Savings		108%	17	155	(\$202)	(\$367)	(\$569)
Adults	Frames/Lens - Cost Savings		116%	30	713	(\$644)	(\$872)	(\$1,516)
<b>Total Savings</b>			<b>113%</b>		<b>876</b>	<b>(\$868)</b>	<b>(\$1,273)</b>	<b>(\$2,141)</b>
<b>Net Total to Reach Parity with Medicare</b>			<b>62%</b>		<b>184,528</b>	<b>\$689,085</b>	<b>\$1,081,863</b>	<b>\$1,770,948</b>
<b>Codes with State Proxy Comparison</b>								
Children	Exams/Procedures		75%	6	29,322	167,547	303,441	470,988
Adults	Exams/Procedures		71%	7	29,232	98,499	133,282	231,781
<b>Total to Reach Parity with State Proxy</b>			<b>73%</b>		<b>58,554</b>	<b>\$266,046</b>	<b>\$436,723</b>	<b>\$702,769</b>
<b>Codes with CPI Comparison</b>								
Children	Exams/Procedures		89%	3	243	\$253	\$457	\$710
Adults	Exams/Procedures		89%	5	348	\$193	\$261	\$454
Adults	Frames/Lens		89%	4	528	\$927	\$1,254	\$2,181
<b>Total to Reach Parity with CPI Rate</b>			<b>89%</b>		<b>1,119</b>	<b>\$1,373</b>	<b>\$1,972</b>	<b>\$3,345</b>
<b>Total Cost</b>			<b>66%</b>		<b>243,325</b>	<b>957,372</b>	<b>1,521,831</b>	<b>2,479,203</b>
<b>Total Savings</b>			<b>113%</b>		<b>876</b>	<b>(\$868)</b>	<b>(\$1,273)</b>	<b>(\$2,141)</b>
<b>Net Total to Reach Parity - SFY 2010</b>			<b>66%</b>		<b>244,201</b>	<b>\$956,504</b>	<b>\$1,520,558</b>	<b>\$2,477,062</b>

# Four-Year Plan to Reach Reimbursement Parity

## Optical

SFY 2011: Second-Year Plan

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Exams/Procedures	68%	42	6,147	\$60,803	\$110,120	\$170,923
Adults	Exams/Procedures	68%	56	10,429	\$55,688	\$75,353	\$131,041
Children	Frames/Lens	71%	91	51,676	\$265,732	\$481,263	\$746,995
Adults	Frames/Lens	78%	117	115,400	\$307,730	\$416,400	\$724,130
<b>Total Cost</b>		<b>75%</b>		<b>183,652</b>	<b>\$689,953</b>	<b>\$1,083,136</b>	<b>\$1,773,089</b>
Children	Exams/Procedures - Cost Savings	114%	1	2	(\$9)	(\$16)	(\$25)
Adults	Exams/Procedures - Cost Savings	114%	1	6	(\$13)	(\$18)	(\$31)
Children	Frames/Lens - Cost Savings	105%	17	155	(\$202)	(\$367)	(\$569)
Adults	Frames/Lens - Cost Savings	110%	30	713	(\$644)	(\$872)	(\$1,516)
<b>Total Savings</b>		<b>109%</b>		<b>876</b>	<b>(\$868)</b>	<b>(\$1,273)</b>	<b>(\$2,141)</b>
<b>Net Total to Reach Parity with Medicare</b>		<b>75%</b>		<b>184,528</b>	<b>\$689,085</b>	<b>\$1,081,863</b>	<b>\$1,770,948</b>
Codes with State Proxy Comparison							
Children	Exams/Procedures	84%	6	29,322	\$167,547	\$303,441	\$470,988
Adults	Exams/Procedures	81%	7	29,232	\$98,499	\$133,282	\$231,781
<b>Total to Reach Parity with State Proxy</b>		<b>82%</b>		<b>58,554</b>	<b>\$266,046</b>	<b>\$436,723</b>	<b>\$702,769</b>
Codes with CPI Comparison							
Children	Exams/Procedures	91%	3	243	\$271	\$489	\$760
Adults	Exams/Procedures	93%	5	348	\$206	\$279	\$485
Adults	Frames/Lens	93%	4	528	\$953	\$1,289	\$2,242
<b>Total to Reach Parity with CPI Rate</b>		<b>93%</b>		<b>1,119</b>	<b>\$1,430</b>	<b>\$2,057</b>	<b>\$3,487</b>
<b>Total Cost</b>		<b>77%</b>		<b>243,325</b>	<b>957,429</b>	<b>1,521,916</b>	<b>2,479,345</b>
<b>Total Savings</b>		<b>109%</b>		<b>876</b>	<b>(\$868)</b>	<b>(\$1,273)</b>	<b>(\$2,141)</b>
<b>Net Total to Reach Parity - SFY 2011</b>		<b>77%</b>		<b>244,201</b>	<b>\$956,561</b>	<b>\$1,520,643</b>	<b>\$2,477,204</b>

**Four-Year Plan to Reach Reimbursement Parity**  
**Optical**  
**SFY 2012: Third-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Exams/Procedures	84%	42	6,147	\$60,803	\$110,120	\$170,923
Adults	Exams/Procedures	84%	56	10,429	\$55,688	\$75,353	\$131,041
Children	Frames/Lens	85%	91	51,676	\$265,732	\$481,263	\$746,995
Adults	Frames/Lens	89%	117	115,400	\$307,730	\$416,400	\$724,130
<b>Total Cost</b>		<b>87%</b>		<b>183,652</b>	<b>\$689,953</b>	<b>\$1,083,136</b>	<b>\$1,773,089</b>
Children	Exams/Procedures Cost Savings	107%	1	2	(\$9)	(\$16)	(\$25)
Adults	Exams/Procedures Cost Savings	107%	1	6	(\$13)	(\$18)	(\$31)
Children	Frames/Lens Cost Savings	103%	17	155	(\$202)	(\$367)	(\$569)
Adults	Frames/Lens Cost Savings	105%	30	713	(\$644)	(\$872)	(\$1,516)
<b>Total Savings</b>		<b>104%</b>		<b>876</b>	<b>(\$868)</b>	<b>(\$1,273)</b>	<b>(\$2,141)</b>
<b>Net Total to Reach Parity with Medicare</b>		<b>87%</b>		<b>184,528</b>	<b>\$689,085</b>	<b>\$1,081,863</b>	<b>\$1,770,948</b>
Codes with State Proxy Comparison							
Children	Exams/Procedures	92%	6	29,322	\$167,547	\$303,441	\$470,988
Adults	Exams/Procedures	90%	7	29,232	\$98,499	\$133,282	\$231,781
<b>Total to Reach Parity with State Proxy</b>		<b>91%</b>		<b>58,554</b>	<b>\$266,046</b>	<b>\$436,723</b>	<b>\$702,769</b>
Codes with CPI Increase							
Children	Exams/Procedures	96%	3	243	\$271	\$489	\$760
Adults	Exams/Procedures	96%	5	348	\$206	\$279	\$485
Adults	Frames/Lens	96%	4	528	\$991	\$1,342	\$2,333
<b>Total to Reach Parity with CPI Rate</b>		<b>96%</b>		<b>1,119</b>	<b>\$1,468</b>	<b>\$2,110</b>	<b>\$3,578</b>
<b>Total Cost</b>		<b>89%</b>		<b>243,325</b>	<b>957,467</b>	<b>1,521,969</b>	<b>2,479,436</b>
<b>Total Savings</b>		<b>104%</b>		<b>876</b>	<b>(\$868)</b>	<b>(\$1,273)</b>	<b>(\$2,141)</b>
<b>Net Total to Reach Parity - SFY 2012</b>		<b>89%</b>		<b>244,201</b>	<b>\$956,599</b>	<b>\$1,520,696</b>	<b>\$2,477,295</b>



**Four-Year Plan to Reach Reimbursement Parity**  
**Optical**  
**SFY 2013: Fourth-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Exams/Procedures	100%	42	6,147	\$60,803	\$110,120	\$170,923
Adults	Exams/Procedures	100%	56	10,429	\$55,688	\$75,353	\$131,041
Children	Frames/Lens	100%	91	51,676	\$265,732	\$481,263	\$746,995
Adults	Frames/Lens	100%	117	115,400	\$307,730	\$416,400	\$724,130
<b>Total Cost</b>		<b>100%</b>		<b>183,652</b>	<b>\$689,953</b>	<b>\$1,083,136</b>	<b>\$1,773,089</b>
Children	Exams/Procedures Cost Savings	100%	1	2	(\$9)	(\$16)	(\$25)
Adults	Exams/Procedures Cost Savings	100%	1	6	(\$13)	(\$18)	(\$31)
Children	Frames/Lens Cost Savings	100%	17	155	(\$202)	(\$367)	(\$569)
Adults	Frames/Lens Cost Savings	100%	30	713	(\$644)	(\$872)	(\$1,516)
<b>Total Savings</b>		<b>100%</b>		<b>876</b>	<b>(\$868)</b>	<b>(\$1,273)</b>	<b>(\$2,141)</b>
<b>Net Total to Reach Parity with Medicare</b>		<b>100%</b>		<b>184,528</b>	<b>\$689,085</b>	<b>\$1,081,863</b>	<b>\$1,770,948</b>
Codes with State Proxy Comparison							
Children	Exams/Procedures	100%	6	29,322	\$167,547	\$303,441	\$470,988
Adults	Exams/Procedures	100%	7	29,232	\$98,499	\$133,282	\$231,781
<b>Total to Reach Parity with State Proxy</b>		<b>100%</b>		<b>58,554</b>	<b>\$266,046</b>	<b>\$436,723</b>	<b>\$702,769</b>
Codes with CPI Increase							
Children	Exams/Procedures	100%	3	243	\$289	\$522	\$811
Adults	Exams/Procedures	100%	5	348	\$219	\$296	\$515
Adults	Frames/Lens	100%	4	528	\$1,030	\$1,394	\$2,424
<b>Total to Reach Parity with CPI Rate</b>		<b>100%</b>		<b>1,119</b>	<b>\$1,538</b>	<b>\$2,212</b>	<b>\$3,750</b>
<b>Total Cost</b>		<b>100%</b>		<b>243,325</b>	<b>957,537</b>	<b>1,522,071</b>	<b>2,479,608</b>
<b>Total Savings</b>		<b>100%</b>		<b>876</b>	<b>(\$868)</b>	<b>(\$1,273)</b>	<b>(\$2,141)</b>
<b>Net Total to Reach Parity - SFY 2013</b>		<b>100%</b>		<b>244,201</b>	<b>\$956,669</b>	<b>\$1,520,798</b>	<b>\$2,477,467</b>

	SFY 2010				SFY 2011				SFY 2012				SFY 2013				TOTAL INCREASE		
Comparison Group	% of Medi- care	General Revenue	Federal	Total	% of Medi- care	General Revenue	Federal	Total	% of Medi- care	General Revenue	Federal	Total	% of Medi- care	General Revenue	Federal	Total	General Revenue	Federal	Total
<b>Using Medicare Rates</b>																			
Cost to Reach Parity - Medicare	74%	\$16,031,693	\$26,085,433	\$42,117,126	83%	\$16,031,693	\$26,085,433	\$42,117,126	91%	\$16,031,693	\$26,085,433	\$42,117,126	100%	\$16,031,693	\$26,085,433	\$42,117,126	\$64,126,772	\$104,341,732	\$168,468,504
Savings to Reach Parity - Medicare	140%	(\$777,662)	(\$1,097,634)	(\$1,815,296)	127%	(\$777,662)	(\$1,097,634)	(\$1,815,296)	113%	(\$777,662)	(\$1,097,634)	(\$1,815,296)	100%	(\$777,662)	(\$1,097,634)	(\$1,815,296)	(\$2,870,648)	(\$4,390,536)	(\$7,261,184)
Net Total to Reach Parity - Medicare	76%	\$15,314,031	\$24,987,799	\$40,301,830	84%	\$15,314,031	\$24,987,799	\$40,301,830	92%	\$15,314,031	\$24,987,799	\$40,301,830	100%	\$15,314,031	\$24,987,799	\$40,301,830	\$61,256,124	\$99,951,196	\$161,207,320
<b>Using State Proxy</b>																			
Cost to Reach Parity - Proxy	78%	\$434,635	\$772,658	\$1,207,293	85%	\$434,635	\$772,658	\$1,207,293	92%	\$434,635	\$772,658	\$1,207,293	100%	\$434,635	\$772,658	\$1,207,293	\$1,738,540	\$3,090,632	\$4,829,172
Savings to Reach Parity - Proxy	151%	(\$8,133)	(\$13,841)	(\$21,974)	134%	(\$8,133)	(\$13,841)	(\$21,974)	117%	(\$8,133)	(\$13,841)	(\$21,974)	100%	(\$8,133)	(\$13,841)	(\$21,974)	(\$32,532)	(\$55,364)	(\$87,896)
Net Total to Reach Parity - Proxy	79%	\$426,502	\$758,817	\$1,185,319	86%	\$426,502	\$758,817	\$1,185,319	93%	\$426,502	\$758,817	\$1,185,319	100%	\$426,502	\$758,817	\$1,185,319	\$1,706,008	\$3,035,268	\$4,741,276
<b>Using CPI</b>																			
Cost to Reach Parity - CPI	89%	\$68,824	\$119,776	\$188,600	93%	\$71,543	\$124,504	\$196,047	96%	\$74,289	\$129,278	\$203,567	100%	\$77,223	\$134,383	\$211,608	\$291,879	\$507,942	\$799,820
<b>VFC</b>																			
Cost to Reach Parity - VFC	50%	\$878,877	\$1,591,719	\$2,470,596	67%	\$878,877	\$1,591,719	\$2,470,596	83%	\$878,877	\$1,591,719	\$2,470,596	100%	\$878,877	\$1,591,719	\$2,470,596	\$3,515,508	\$6,386,876	\$9,982,384
<b>Total</b>																			
Total Cost to Reach Parity		\$17,414,029	\$28,569,586	\$45,983,615		\$17,416,748	\$28,574,314	\$45,991,062		\$17,419,494	\$28,579,088	\$45,998,582		\$17,422,428	\$28,584,193	\$46,006,621	\$69,672,699	\$114,307,182	\$183,979,880
Total Savings to Reach Parity		(\$725,795)	(\$1,114,475)	(\$1,837,270)		(\$725,795)	(\$1,114,475)	(\$1,837,270)		(\$725,795)	(\$1,114,475)	(\$1,837,270)		(\$725,795)	(\$1,114,475)	(\$1,837,270)	(\$2,903,180)	(\$4,445,900)	(\$7,349,080)
Net Total to Reach Parity	75%	\$16,688,234	\$27,458,111	\$44,146,345	84%	\$16,690,953	\$27,462,839	\$44,153,792	92%	\$16,693,699	\$27,467,613	\$44,161,312	100%	\$16,696,633	\$27,472,718	\$44,169,351	\$66,769,519	\$109,861,282	\$176,630,800



# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2010: First-Year Plan  
(1 of 3)

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	77%	711	172,772	\$330,964	\$599,459	\$930,423
Cost	Anesthesia	72%	454	1,798,321	\$219,292	\$397,192	\$616,484
Cost	Lab	92%	309	161,024	\$38,001	\$68,829	\$106,830
Cost	Surgery	76%	2,422	58,190	\$1,263,104	\$2,287,798	\$3,550,902
Cost	Medical Services	75%	541	892,902	\$4,419,836	\$8,005,422	\$12,425,258
Cost	Nurse Midwife	77%	31	3,721	\$22,653	\$41,032	\$63,685
Cost	Podiatry	74%	147	5,444	\$30,493	\$55,229	\$85,722
Cost	Psychologist	60%	22	144,981	\$1,419,082	\$2,570,078	\$3,989,160
<b>Adults</b>							
Cost	X-rays	77%	1,271	555,669	\$770,536	\$1,123,338	\$1,893,874
Cost	Anesthesia	72%	601	4,324,017	\$247,069	\$360,190	\$607,259
Cost	Lab	86%	378	227,568	\$72,975	\$106,388	\$179,363
Cost	Surgery	74%	3,841	156,733	\$2,512,725	\$3,663,206	\$6,175,931
Cost	Medical Services	73%	643	1,374,726	\$4,377,246	\$6,381,396	\$10,758,642
Cost	Nurse Midwife	76%	26	9,516	\$26,843	\$39,134	\$65,977
Cost	Podiatry	74%	269	22,447	\$63,830	\$93,055	\$156,885
Cost	Psychologist	60%	19	41,351	\$217,044	\$293,687	\$510,731
<b>Total Cost</b>		<b>74%</b>		<b>9,949,382</b>	<b>\$16,031,693</b>	<b>\$26,085,433</b>	<b>\$42,117,126</b>
<b>Children</b>							
Cost Savings	X-rays	148%	337	40,175	(\$118,562)	(\$214,725)	(\$333,287)
Cost Savings	Anesthesia	118%	19	2,881	(\$2,582)	(\$4,674)	(\$7,256)
Cost Savings	Lab	116%	45	2,191	(\$8,482)	(\$15,360)	(\$23,842)
Cost Savings	Surgery	122%	136	23,422	(\$105,261)	(\$190,638)	(\$295,899)
Cost Savings	Medical Services	110%	2	45	(\$87)	(\$15)	(\$242)
Cost Savings	Nurse Midwife	114%	3	262	(\$176)	(\$319)	(\$495)
Cost Savings	Podiatry				\$0	\$0	\$0
Cost Savings	Psychologist				\$0	\$0	\$0
<b>Adults</b>							
Cost Savings	X-rays	142%	174	94,845	(\$252,759)	(\$351,897)	(\$604,656)
Cost Savings	Anesthesia	114%	27	10,807	(\$5,155)	(\$7,176)	\$0
Cost Savings	Lab	142%	100	7,274	(\$92,019)	(\$128,112)	(\$220,131)
Cost Savings	Surgery	159%	204	16,021	(\$132,235)	(\$184,101)	(\$316,336)
Cost Savings	Medical Services	122%	1	12	(\$185)	(\$257)	(\$442)
Cost Savings	Nurse Midwife	103%	3	725	(\$159)	(\$220)	(\$379)
Cost Savings	Podiatry				\$0	\$0	\$0
Cost Savings	Psychologist				\$0	\$0	\$0
<b>Total Savings</b>		<b>140%</b>		<b>198,660</b>	<b>(\$717,662)</b>	<b>(\$1,097,634)</b>	<b>(\$1,815,296)</b>
<b>Net Total Cost to Reach Parity With Medicare</b>		<b>76%</b>		<b>10,148,042</b>	<b>\$15,314,031</b>	<b>\$24,987,799</b>	<b>\$40,301,830</b>



# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2010: First-Year Plan  
(2 of 3)

Codes with State Proxy Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	31%	1	2	\$6	\$8	\$14
Cost	Lab	58%	4	1,190	\$7,820	\$14,161	\$21,981
Cost	Surgery	60%	5	432	\$3,851	\$6,975	\$10,826
Cost	Medical Services	80%	63	83,024	\$381,159	\$690,312	\$1,071,471
Cost	Nurse Midwife	76%	12	97	\$420	\$758	\$1,178
Cost	Podiatry	57%	2	33	\$145	\$262	\$407
<b>Adults</b>							
Cost	X-rays	32%	2	30	\$43	\$62	\$105
Cost	Lab	59%	4	3,164	\$11,519	\$16,811	\$28,330
Cost	Surgery	60%	8	1,000	\$4,608	\$6,726	\$11,334
Cost	Medical Services	64%	26	11,502	\$24,706	\$36,058	\$60,764
Cost	Nurse Midwife	69%	7	145	\$339	\$496	\$835
Cost	Podiatry	57%	1	8	\$19	\$29	\$48
<b>Total Cost</b>		<b>78%</b>		<b>100,627</b>	<b>\$434,635</b>	<b>\$772,658</b>	<b>\$1,207,293</b>
<b>Children</b>							
Cost Savings	X-rays	156%	1	5	(\$9)	(\$17)	(\$26)
Cost Savings	Lab				\$0	\$0	\$0
Cost Savings	Surgery	150%	2	52	(\$1,208)	(\$2,186)	(\$3,394)
Cost Savings	Medical Services	198%	2	1,196	(\$4,391)	(\$7,954)	(\$12,345)
Cost Savings	Nurse Midwife				\$0	\$0	\$0
Cost Savings	Podiatry				\$0	\$0	\$0
<b>Adults</b>							
Cost Savings	X-rays	114%	1	9	(\$87)	(\$128)	(\$215)
Cost Savings	Lab	160%	1	1	(\$4)	(\$4)	(\$8)
Cost Savings	Surgery	137%	5	221	(\$2,378)	(\$3,471)	(\$5,849)
Cost Savings	Medical Services	183%	3	33	(\$56)	(\$81)	(\$137)
Cost Savings	Nurse Midwife						\$0
Cost Savings	Podiatry						\$0
<b>Total Savings</b>		<b>151%</b>		<b>1,517</b>	<b>(\$8,133)</b>	<b>(\$13,841)</b>	<b>(\$21,974)</b>
<b>Net Total Cost to Reach Parity with State Proxy</b>		<b>79%</b>		<b>102,144</b>	<b>\$426,502</b>	<b>\$758,817</b>	<b>\$1,185,319</b>





# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2010: First-Year Plan  
(3 of 3)

Codes with CPI Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	89%	1	16	\$22	\$40	\$62
Cost	Medical Services	89%	22	20,748	\$54,408	\$98,537	\$152,945
Cost	Podiatry	89%	1	156	\$540	\$979	\$1,519
<b>Adults</b>							
Cost	X-rays	89%	1	58	\$39	\$57	\$97
Cost	Medical Services	89%	23	18,586	\$13,553	\$19,781	\$33,334
Cost	Podiatry	89%	1	138	\$262	\$382	\$644
<b>Total Cost to Reach Parity with CPI Rate</b>		<b>89%</b>		<b>39,702</b>	<b>\$68,824</b>	<b>\$119,776</b>	<b>\$188,600</b>
<b>Vaccines For Children Program</b>							
Cost	Vaccines For Children	50%	28	198,344	\$878,877	\$1,591,719	\$2,470,596
<b>Total Cost Increase for Vaccines For Children Program</b>		<b>50%</b>		<b>198,344</b>	<b>\$878,877</b>	<b>\$1,591,719</b>	<b>\$2,470,596</b>
<b>Total Cost</b>				<b>10,288,055</b>	<b>\$17,414,029</b>	<b>\$28,569,586</b>	<b>\$45,983,615</b>
<b>Total Savings</b>				<b>200,177</b>	<b>(\$725,795)</b>	<b>(\$1,111,475)</b>	<b>(\$1,837,270)</b>
<b>Net Total to Reach Parity - SFY 2010</b>		<b>75%</b>		<b>10,488,232</b>	<b>\$16,688,234</b>	<b>\$27,458,111</b>	<b>\$44,146,345</b>



# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2011 : Second-Year Plan  
(1 of 3)

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	85%	711	172,772	\$330,964	\$599,459	\$930,423
Cost	Anesthesia	81%	454	1,798,321	\$219,292	\$397,192	\$616,484
Cost	Lab	94%	309	161,024	\$38,001	\$68,829	\$106,830
Cost	Surgery	84%	2,422	58,190	\$1,263,104	\$2,287,798	\$3,550,902
Cost	Medical Services	83%	541	892,902	\$4,419,836	\$8,005,422	\$12,425,258
Cost	Nurse Midwife	85%	31	3,721	\$22,653	\$41,032	\$63,685
Cost	Podiatry	83%	147	5,444	\$30,493	\$55,229	\$85,722
Cost	Psychologist	72%	22	144,981	\$1,419,082	\$2,570,078	\$3,989,160
<b>Adults</b>							
Cost	X-rays	85%	1,271	555,669	\$770,536	\$1,123,338	\$1,893,874
Cost	Anesthesia	81%	601	4,324,017	\$247,069	\$360,190	\$607,259
Cost	Lab	91%	378	227,568	\$72,975	\$106,388	\$179,363
Cost	Surgery	83%	3,841	156,733	\$2,512,725	\$3,663,206	\$6,175,931
Cost	Medical Services	82%	643	1,374,726	\$4,377,246	\$6,381,396	\$10,758,642
Cost	Nurse Midwife	84%	26	9,516	\$26,843	\$39,134	\$65,977
Cost	Podiatry	83%	269	22,447	\$63,830	\$93,055	\$156,885
Cost	Psychologist	76%	19	41,351	\$217,044	\$293,687	\$510,731
<b>Total Cost</b>		<b>83%</b>		<b>9,949,382</b>	<b>\$16,031,693</b>	<b>\$26,085,433</b>	<b>\$42,117,126</b>
<b>Children</b>							
Cost Savings	X-rays	132%	337	40,175	(\$118,562)	(\$214,725)	(\$333,287)
Cost Savings	Anesthesia	112%	19	2,881	\$0	(\$4,674)	(\$7,256)
Cost Savings	Lab	111%	45	2,191	(\$8,482)	(\$15,360)	(\$23,842)
Cost Savings	Surgery	115%	136	23,422	(\$105,261)	(\$190,638)	(\$295,899)
Cost Savings	Medical Services	107%	2	45	(\$87)	(\$155)	(\$242)
Cost Savings	Nurse Midwife	110%	3	262	(\$176)	(\$319)	(\$495)
Cost Savings	Podiatry				\$0	\$0	\$0
Cost Savings	Psychologist				\$0	\$0	\$0
<b>Adults</b>							
Cost Savings	X-rays	128%	174	94,845	(\$252,759)	(\$351,897)	(\$604,656)
Cost Savings	Anesthesia	109%	27	10,807	\$0	\$0	\$0
Cost Savings	Lab	128%	100	7,274	(\$5,155)	(\$7,176)	(\$12,331)
Cost Savings	Surgery	139%	204	16,021	(\$92,019)	(\$128,112)	(\$220,131)
Cost Savings	Medical Services	115%	1	12	(\$132,235)	(\$184,101)	(\$316,336)
Cost Savings	Nurse Midwife	102%	3	725	(\$185)	(\$257)	(\$442)
Cost Savings	Podiatry				(\$159)	(\$220)	(\$379)
Cost Savings	Psychologist				\$0	\$0	\$0
<b>Total Cost Savings</b>		<b>127%</b>		<b>198,660</b>	<b>(717,662)</b>	<b>(1,097,634)</b>	<b>(1,815,296)</b>
<b>Net Total Cost</b>		<b>84%</b>		<b>10,148,042</b>	<b>\$15,314,031</b>	<b>\$24,987,799</b>	<b>\$40,301,830</b>



Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2011: Second-Year Plan  
(2 of 3)

Codes with State Proxy Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	54%	1	2	\$6	\$8	\$14
Cost	Lab	72%	4	1,190	\$7,820	\$14,161	\$21,981
Cost	Surgery	73%	5	432	\$3,851	\$6,975	\$10,826
Cost	Medical Services	87%	63	83,024	\$381,159	\$690,312	\$1,071,471
Cost	Nurse Midwife	84%	12	97	\$420	\$738	\$1,178
Cost	Podiatry	71%	2	33	\$145	\$262	\$407
<b>Adults</b>							
Cost	X-rays	54%	2	30	\$43	\$62	\$105
Cost	Lab	73%	4	3,164	\$11,519	\$16,811	\$28,330
Cost	Surgery	73%	8	1,000	\$4,608	\$6,726	\$11,334
Cost	Medical Services	76%	26	11,502	\$24,706	\$36,058	\$60,764
Cost	Nurse Midwife	79%	7	145	\$339	\$496	\$835
Cost	Podiatry	71%	1	8	\$19	\$29	\$48
<b>Total Cost</b>		<b>85%</b>		<b>100,627</b>	<b>\$434,635</b>	<b>\$772,658</b>	<b>\$1,207,293</b>
<b>Children</b>							
Cost Savings	X-rays	137%	1	5	(\$9)	(\$17)	(\$26)
Cost Savings	Lab				\$0	\$0	\$0
Cost Savings	Surgery	133%	2	52	(\$1,208)	(\$2,186)	(\$3,394)
Cost Savings	Medical Services	165%	2	1,196	(\$4,391)	(\$7,954)	(\$12,345)
Cost Savings	Nurse Midwife				\$0	\$0	\$0
Cost Savings	Podiatry				\$0	\$0	\$0
<b>Adults</b>							
Cost Savings	X-rays	109%	1	9	(\$87)	(\$128)	(\$215)
Cost Savings	Lab	140%	1	1	(\$4)	(\$4)	(\$8)
Cost Savings	Surgery	125%	5	221	(\$2,378)	(\$3,471)	(\$5,849)
Cost Savings	Medical Services	155%	3	33	(\$56)	(\$81)	(\$137)
Cost Savings	Nurse Midwife				\$0	\$0	\$0
Cost Savings	Podiatry				\$0	\$0	\$0
<b>Total Savings</b>		<b>134%</b>		<b>1,517</b>	<b>(\$8,133)</b>	<b>(\$13,841)</b>	<b>(\$21,974)</b>
<b>Net Total Cost to Reach Parity with State Proxy</b>		<b>86%</b>		<b>102,144</b>	<b>\$426,502</b>	<b>\$758,817</b>	<b>\$1,185,319</b>



Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2011: Second-Year Plan  
(3 of 3)

Codes with CPI Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	93%	1	16	\$23	\$42	\$65
Cost	Medical Services	93%	22	20,748	\$56,551	\$102,419	\$158,970
Cost	Podiatry	93%	1	156	\$558	\$1,011	\$1,569
<b>Adults</b>							
Cost	X-rays	93%	1	58	\$46	\$68	\$114
Cost	Medical Services	93%	23	18,586	\$14,090	\$20,564	\$34,653
Cost	Podiatry	93%	1	138	\$275	\$401	\$676
<b>Total Cost to Reach Parity with CPI Rate</b>		<b>93%</b>		<b>39,702</b>	<b>\$71,543</b>	<b>\$124,504</b>	<b>\$196,047</b>
<b>Vaccines For Children Program</b>							
Cost	Vaccines For Children	67%	28	198,344	\$878,877	\$1,591,719	\$2,470,596
<b>Total Cost Increase for Vaccines For Children Program</b>		<b>67%</b>		<b>198,344</b>	<b>\$878,877</b>	<b>\$1,591,719</b>	<b>\$2,470,596</b>
<b>Total Cost</b>				<b>10,288,055</b>	<b>\$17,416,748</b>	<b>\$28,574,314</b>	<b>\$45,991,062</b>
<b>Total Savings</b>				<b>200,177</b>	<b>(\$725,795)</b>	<b>(\$1,111,475)</b>	<b>(\$1,837,270)</b>
<b>Net Total to Reach Parity - SFY 2011</b>		<b>84%</b>		<b>10,488,232</b>	<b>\$16,690,953</b>	<b>\$27,462,839</b>	<b>\$44,153,792</b>



# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2012: Third-Year Plan  
(1 of 3)

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	92%	711	172,772	\$330,964	\$599,459	\$930,423
Cost	Anesthesia	91%	454	1,793,321	\$219,292	\$397,192	\$616,484
Cost	Lab	97%	309	161,024	\$38,001	\$68,829	\$106,830
Cost	Surgery	92%	2,422	58,190	\$1,263,104	\$2,287,798	\$3,550,902
Cost	Medical Services	92%	541	892,902	\$4,419,836	\$8,005,422	\$12,425,258
Cost	Nurse Midwife	92%	31	3,721	\$22,653	\$41,032	\$63,685
Cost	Podiatry	91%	147	5,444	\$30,493	\$55,229	\$85,722
Cost	Psychologist	86%	22	144,981	\$1,419,082	\$2,570,078	\$3,989,160
<b>Adults</b>							
Cost	X-rays	92%	1,271	555,669	\$770,536	\$1,123,338	\$1,893,874
Cost	Anesthesia	91%	601	4,324,017	\$247,069	\$360,190	\$607,259
Cost	Lab	95%	378	227,568	\$72,975	\$106,388	\$179,363
Cost	Surgery	91%	3,841	156,733	\$2,512,725	\$3,663,206	\$6,175,931
Cost	Medical Services	91%	643	1,374,726	\$4,377,246	\$6,381,396	\$10,758,642
Cost	Nurse Midwife	92%	26	9,516	\$26,843	\$39,134	\$65,977
Cost	Podiatry	91%	269	22,447	\$63,830	\$93,055	\$156,885
Cost	Psychologist	88%	19	41,351	\$217,044	\$293,687	\$510,731
<b>Total Cost</b>		<b>91%</b>		<b>9,949,382</b>	<b>\$16,031,693</b>	<b>\$26,085,433</b>	<b>\$42,117,126</b>
<b>Children</b>							
Cost Savings	X-rays	116%	337	40,175	(\$118,562)	(\$214,725)	(\$333,287)
Cost Savings	Anesthesia	106%	19	2,881	(\$2,582)	(\$4,674)	(\$7,256)
Cost Savings	Lab	105%	45	2,191	(\$8,482)	(\$15,360)	(\$23,842)
Cost Savings	Surgery	107%	136	23,422	(\$105,261)	(\$190,638)	(\$295,899)
Cost Savings	Medical Services	103%	2	45	(\$87)	(\$155)	(\$242)
Cost Savings	Nurse Midwife	105%	3	262	(\$176)	(\$319)	(\$495)
Cost Savings	Podiatry				\$0	\$0	\$0
Cost Savings	Psychologist						
<b>Adults</b>							
Cost Savings	X-rays	114%	174	94,845	(\$252,759)	(\$351,897)	(\$604,656)
Cost Savings	Anesthesia				\$0	\$0	\$0
Cost Savings	Lab	105%	27	10,807	(\$5,155)	(\$7,176)	(\$12,331)
Cost Savings	Surgery	114%	100	7,274	(\$92,019)	(\$128,112)	(\$220,131)
Cost Savings	Medical Services	120%	204	16,021	(\$132,235)	(\$184,101)	(\$316,336)
Cost Savings	Nurse Midwife	107%	1	12	(\$185)	(\$257)	(\$442)
Cost Savings	Podiatry	101%	3	725	(\$159)	(\$220)	(\$379)
Cost Savings	Psychologist				\$0	\$0	\$0
<b>Total Cost Savings</b>		<b>113%</b>		<b>198,660</b>	<b>(717,662)</b>	<b>(1,097,634)</b>	<b>(1,815,296)</b>
<b>Net Total Cost</b>		<b>92%</b>		<b>10,148,042</b>	<b>\$15,314,031</b>	<b>\$24,987,799</b>	<b>\$40,301,830</b>



# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2012: Third-Year Plan  
(2 of 3)

Codes with State Proxy Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	77%	1	2	\$6	\$8	\$14
Cost	Lab	86%	4	1,190	\$7,820	\$14,161	\$21,981
Cost	Surgery	87%	5	432	\$3,851	\$6,975	\$10,826
Cost	Medical Services	93%	63	83,024	\$381,159	\$690,312	\$1,071,471
Cost	Nurse Midwife	92%	12	97	\$420	\$758	\$1,178
Cost	Podiatry	86%	2	33	\$145	\$262	\$407
<b>Adults</b>							
Cost	X-rays	77%	2	30	\$43	\$62	\$105
Cost	Lab	86%	4	3,164	\$11,519	\$16,811	\$28,330
Cost	Surgery	86%	8	1,000	\$4,608	\$6,726	\$11,334
Cost	Medical Services	88%	26	11,502	\$24,706	\$36,058	\$60,764
Cost	Nurse Midwife	90%	7	145	\$339	\$496	\$835
Cost	Podiatry	86%	1	8	\$19	\$29	\$48
<b>Total Cost</b>		<b>92%</b>		<b>100,627</b>	<b>\$434,635</b>	<b>\$772,658</b>	<b>\$1,207,293</b>
<b>Children</b>							
Cost Savings	X-rays	118%	1	5	(\$9)	(\$17)	(\$26)
Cost Savings	Lab				\$0	\$0	\$0
Cost Savings	Surgery	117%	2	52	(\$1,208)	(\$2,186)	(\$3,394)
Cost Savings	Medical Services	133%	2	1,196	(\$4,391)	(\$7,954)	(\$12,345)
Cost Savings	Nurse Midwife				\$0	\$0	\$0
Cost Savings	Podiatry				\$0	\$0	\$0
<b>Adults</b>							
Cost Savings	X-rays	105%	1	9	(\$87)	(\$128)	(\$215)
Cost Savings	Lab	120%	1	1	(\$4)	(\$4)	(\$8)
Cost Savings	Surgery	112%	5	221	(\$2,378)	(\$3,471)	(\$5,849)
Cost Savings	Medical Services	128%	3	33	(\$56)	(\$81)	(\$137)
Cost Savings	Nurse Midwife				\$0	\$0	\$0
Cost Savings	Podiatry				\$0	\$0	\$0
<b>Total Savings</b>		<b>117%</b>		<b>1,517</b>	<b>(\$8,133)</b>	<b>(\$13,841)</b>	<b>(\$21,974)</b>
<b>Net Total Cost to Reach Parity with State Proxy</b>		<b>93%</b>		<b>102,144</b>	<b>\$426,502</b>	<b>\$758,817</b>	<b>\$1,185,319</b>



# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2012: Third-Year Plan  
(3 of 3)

Codes with CPI Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	96%	1	16	\$24	\$43	\$67
Cost	Medical Services	96%	22	20,748	\$58,713	\$106,335	\$165,048
Cost	Podiatry	96%	1	156	\$577	\$1,044	\$1,621
<b>Adults</b>							
Cost	X-rays	96%	1	58	\$48	\$70	\$118
Cost	Medical Services	96%	23	18,586	\$14,639	\$21,366	\$36,005
Cost	Podiatry	96%	1	138	\$288	\$420	\$708
<b>Total Cost</b>		<b>96%</b>		<b>39,702</b>	<b>\$74,289</b>	<b>\$129,278</b>	<b>\$203,567</b>
<b>Vaccines For Children Program</b>							
Cost	Vaccines For Children	83%	28	198,344	\$878,877	\$1,591,719	\$2,470,596
<b>Total Cost Increase for Vaccines For Children Program</b>		<b>83%</b>	<b>28</b>	<b>198,344</b>	<b>\$878,877</b>	<b>\$1,591,719</b>	<b>\$2,470,596</b>
<b>Total Cost</b>				<b>10,288,055</b>	<b>\$17,419,494</b>	<b>\$28,579,088</b>	<b>\$45,998,582</b>
<b>Total Savings</b>				<b>200,177</b>	<b>(\$725,795)</b>	<b>(\$1,111,475)</b>	<b>(\$1,837,270)</b>
<b>Net Total to Reach Parity - SFY 2012</b>		<b>92%</b>		<b>10,488,232</b>	<b>\$16,693,699</b>	<b>\$27,467,613</b>	<b>\$44,161,312</b>



# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2013: Fourth-Year Plan  
(1 of 3)

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	100%	711	172,772	\$330,964	\$599,459	\$930,423
Cost	Anesthesia	100%	454	1,798,321	\$219,292	\$397,192	\$616,484
Cost	Lab	100%	309	161,024	\$38,001	\$68,829	\$106,830
Cost	Surgery	100%	2,422	56,190	\$1,263,104	\$2,287,798	\$3,550,902
Cost	Medical Services	100%	541	892,902	\$4,419,836	\$8,005,422	\$12,425,258
Cost	Nurse Midwife	100%	31	3,721	\$22,653	\$41,032	\$63,685
Cost	Podiatry	100%	147	5,444	\$30,493	\$55,229	\$85,722
Cost	Psychologist	100%	22	144,981	\$1,419,082	\$2,570,078	\$3,989,160
<b>Adults</b>							
Cost	X-rays	100%	1,271	555,669	\$770,536	\$1,123,338	\$1,893,874
Cost	Anesthesia	100%	601	4,324,017	\$247,069	\$360,190	\$607,259
Cost	Lab	100%	378	227,568	\$72,975	\$106,388	\$179,363
Cost	Surgery	100%	3,841	156,733	\$2,512,725	\$3,663,206	\$6,175,931
Cost	Medical Services	100%	643	1,374,726	\$4,377,246	\$6,381,396	\$10,758,642
Cost	Nurse Midwife	100%	26	9,516	\$26,843	\$39,134	\$65,977
Cost	Podiatry	100%	269	22,447	\$63,830	\$93,055	\$156,885
Cost	Psychologist	100%	19	41,351	\$217,044	\$293,687	\$510,731
<b>Total Cost</b>		<b>100%</b>			<b>\$9,949,382</b>	<b>\$16,031,693</b>	<b>\$26,085,433</b>
<b>Children</b>							
Cost Savings	X-rays	100%	337	40,175	(\$118,562)	(\$214,725)	(\$333,287)
Cost Savings	Anesthesia	100%	19	2,881	\$0	\$0	\$0
Cost Savings	Lab	100%	45	2,191	(\$2,582)	(\$4,674)	(\$7,256)
Cost Savings	Surgery	100%	136	23,422	(\$8,482)	(\$15,360)	(\$23,842)
Cost Savings	Medical Services	100%	2	45	(\$105,261)	(\$190,638)	(\$295,899)
Cost Savings	Nurse Midwife	100%	3	262	(\$87)	(\$155)	(\$242)
Cost Savings	Podiatry	100%			(\$176)	(\$319)	(\$495)
Cost Savings	Psychologist	100%			\$0	\$0	\$0
<b>Adults</b>							
Cost Savings	X-rays	100%	174	94,845	(\$252,759)	(\$351,897)	(\$604,656)
Cost Savings	Anesthesia	100%	27	10,807	\$0	\$0	\$0
Cost Savings	Lab	100%	100	7,274	(\$5,155)	(\$7,176)	(\$12,331)
Cost Savings	Surgery	100%	204	16,021	(\$92,019)	(\$128,112)	(\$220,131)
Cost Savings	Medical Services	100%	1	12	(\$132,235)	(\$184,101)	(\$316,336)
Cost Savings	Nurse Midwife	100%	3	725	(\$185)	(\$257)	(\$442)
Cost Savings	Podiatry	100%			(\$159)	(\$220)	(\$379)
Cost Savings	Psychologist	100%			\$0	\$0	\$0
<b>Total Cost Savings</b>		<b>100%</b>			<b>198,660</b>	<b>(\$1,097,634)</b>	<b>(\$1,815,296)</b>
<b>Net Total Cost to Reach Parity with Medicare</b>		<b>100%</b>			<b>10,148,042</b>	<b>\$15,314,031</b>	<b>\$40,301,830</b>





# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2013: Fourth-Year Plan  
(2 of 3)

Codes with Proxy Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
Children	Cost X-rays	100%	1	2	\$6	\$8	\$14
	Cost Lab	100%	4	1,190	\$7,820	\$14,161	\$21,981
	Cost Surgery	100%	5	432	\$3,851	\$6,975	\$10,826
	Cost Medical Services	100%	63	83,024	\$381,159	\$690,312	\$1,071,471
	Cost Nurse Midwife	100%	12	97	\$420	\$758	\$1,178
	Cost Podiatry	100%	2	33	\$145	\$262	\$407
Adults	Cost X-rays	100%	2	30	\$43	\$62	\$105
	Cost Lab	100%	4	3,164	\$11,519	\$16,811	\$28,330
	Cost Surgery	100%	8	1,000	\$4,608	\$6,726	\$11,334
	Cost Medical Services	100%	26	11,502	\$24,706	\$36,058	\$60,764
	Cost Nurse Midwife	100%	7	145	\$339	\$496	\$835
	Cost Podiatry	100%	1	8	\$19	\$29	\$48
Total Cost		100%		100,627	\$434,635	\$772,658	\$1,207,293
Children	Cost Savings X-rays	100%	1	5	(\$9)	(\$17)	(\$26)
	Cost Savings Lab	100%			\$0	\$0	\$0
	Cost Savings Surgery	100%	2	52	(\$1,208)	(\$2,186)	(\$3,394)
	Cost Savings Medical Services	100%	2	1,196	(\$4,391)	(\$7,954)	(\$12,345)
	Cost Savings Nurse Midwife				\$0	\$0	\$0
	Cost Savings Podiatry				\$0	\$0	\$0
Adults	Cost Savings X-rays	100%	1	9	(\$87)	(\$128)	(\$215)
	Cost Savings Lab	100%	1	1	(\$4)	(\$4)	(\$8)
	Cost Savings Surgery	100%	5	221	(\$2,378)	(\$3,471)	(\$5,849)
	Cost Savings Medical Services	100%	3	33	(\$56)	(\$81)	(\$137)
	Cost Savings Nurse Midwife				\$0	\$0	\$0
	Cost Savings Podiatry				\$0	\$0	\$0
Total Savings		100%		1,517	(\$8,133)	(\$13,841)	(\$21,974)
Net Total Cost to Reach Parity with State Proxy		100%		102,144	\$426,502	\$758,817	\$1,185,319



# Four-Year Plan to Reach Reimbursement Parity

Physician  
SFY 2013: Fourth-Year Plan  
(3 of 3)

Codes with CPI Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Units of Service	GR	Federal	Total
<b>Children</b>							
Cost	X-rays	100%	1	16	\$25	\$45	\$70
Cost	Medical Services	100%	22	20,748	\$61,019	\$110,511	\$171,530
Cost	Podiatry	100%	1	156	\$613	\$1,109	\$1,722
<b>Adults</b>							
Cost	X-rays	100%	1	58	\$50	\$73	\$123
Cost	Medical Services	100%	23	16,586	\$15,215	\$22,206	\$37,420
Cost	Podiatry	100%	1	138	\$301	\$439	\$740
<b>Total Cost to Reach Parity with CPI Rate</b>		<b>100%</b>		<b>39,702</b>	<b>\$77,223</b>	<b>\$134,383</b>	<b>\$211,606</b>
<b>Vaccines For Children Program</b>							
Cost	Vaccines For Children	100%	28	198,344	\$878,877	\$1,591,719	\$2,470,596
<b>Total Cost Increase for Vaccines For Children Program</b>		<b>100%</b>	<b>28</b>	<b>198,344</b>	<b>\$878,877</b>	<b>\$1,591,719</b>	<b>\$2,470,596</b>
<b>Total Cost</b>				<b>10,288,055</b>	<b>\$17,422,428</b>	<b>\$28,584,193</b>	<b>\$46,006,621</b>
<b>Total Savings</b>				<b>200,177</b>	<b>(\$725,795)</b>	<b>(\$1,111,475)</b>	<b>(\$1,837,270)</b>
<b>Net Total to Reach Parity - SFY 2013</b>		<b>100%</b>		<b>10,488,232</b>	<b>\$16,696,633</b>	<b>\$27,472,718</b>	<b>\$44,169,351</b>

Comparison Group	SFY 2010				SFY 2011				SFY 2012				SFY 2013				Total Increase		
	% of Med- icare	General Revenue	Federal	Total	% of Med- icare	General Revenue	Federal	Total	% of Med- icare	General Revenue	Federal	Total	% of Med- icare	General Revenue	Federal	Total	General Revenue	Federal	Total
<b>Using Medicare Rates</b>																			
Cost to Reach Parity - Medicare	44%	\$141,218	\$255,741	\$396,959	63%	\$141,218	\$255,741	\$396,959	82%	\$141,218	\$255,741	\$396,959	100%	\$141,218	\$255,741	\$396,959	\$564,872	\$1,022,964	\$1,587,836
Savings to Reach Parity - Medicare		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Net Total to Reach Parity - Medicare	44%	\$141,218	\$255,741	\$396,959	63%	\$141,218	\$255,741	\$396,959	82%	\$141,218	\$255,741	\$396,959	100%	\$141,218	\$255,741	\$396,959	\$564,872	\$1,022,964	\$1,587,836
<b>Using State Proxy</b>																			
Cost to Reach Parity - Proxy		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Savings to Reach Parity - Proxy		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Net Total to Reach Parity - Proxy		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
<b>Using CPI</b>																			
Cost to Reach Parity - CPI		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>																			
Total Cost to Reach Parity		\$141,218	\$255,741	\$396,959		\$141,218	\$255,741	\$396,959		\$141,218	\$255,741	\$396,959		\$141,218	\$255,741	\$396,959	\$564,872	\$1,022,964	\$1,587,836
Total Savings to Reach Parity		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Net Total to Reach Parity	44%	\$141,218	\$255,741	\$396,959	63%	\$141,218	\$255,741	\$396,959	82%	\$141,218	\$255,741	\$396,959	100%	\$141,218	\$255,741	\$396,959	\$564,872	\$1,022,964	\$1,587,836

**Four-Year Plan to Reach Reimbursement Parity**  
**Rehabilitation Therapy Center**  
**SFY 2010: First-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Therapies, Tests & Evaluations	44%	20	20,814	\$141,185	\$255,698	\$396,883
Adults	Therapies, Tests & Evaluations	36%	2	12	\$33	\$43	\$76
<b>Total Cost</b>				20,826	\$141,218	\$255,741	\$396,959
<b>Total Savings</b>				0	\$0	\$0	\$0
<b>Net Total Cost to Reach Parity - SFY 2010</b>		<b>44%</b>		20,826	\$141,218	\$255,741	\$396,959



**Four-Year Plan to Reach Reimbursement Parity  
Rehabilitation Therapy Center  
SFY 2011: Second-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Therapies, Tests & Evaluations	63%	20	20,814	\$141,185	\$255,698	\$396,883
Adults	Therapies, Tests & Evaluations	57%	2	12	\$33	\$43	\$76
<b>Total Cost</b>				20,826	\$141,218	\$255,741	\$396,959
<b>Total Savings</b>				0	\$0	\$0	\$0
<b>Net Total Cost to Reach Parity - SFY 2011</b>		63%		20,826	\$141,218	\$255,741	\$396,959



**Four-Year Plan to Reach Reimbursement Parity**  
**Rehabilitation Therapy Center**  
**SFY 2012: Third-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Therapies, Tests & Evaluations	82%	20	20,814	\$141,185	\$255,698	\$396,883
Adults	Therapies, Tests & Evaluations	79%	2	12	\$33	\$43	\$76
<b>Total Cost</b>				<b>20,826</b>	<b>\$141,218</b>	<b>\$255,741</b>	<b>\$396,959</b>
<b>Total Savings</b>				<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Total Cost to Reach Parity - SFY 2012</b>		<b>82%</b>		<b>20,826</b>	<b>\$141,218</b>	<b>\$255,741</b>	<b>\$396,959</b>



**Four-Year Plan to Reach Reimbursement Parity  
Rehabilitation Therapy Center  
SFY 2013: Fourth-Year Plan**

Codes with Medicare Comparison		MO HealthNet as % of Comparison Group	Number of Codes	Number of Units	GR	Federal	Total
Children	Therapies, Tests & Evaluations	100%	20	20,814	\$141,185	\$255,698	\$396,883
Adults	Therapies, Tests & Evaluations	100%	2	12	\$33	\$43	\$76
<b>Total Cost</b>				20,826	\$141,218	\$255,741	\$396,959
<b>Total Savings</b>				0	\$0	\$0	\$0
<b>Net Total Cost to Reach Parity - SFY 2013</b>		<b>100%</b>		20,826	\$141,218	\$255,741	\$396,959